31761 11973958 9

CA1 XC 35
I61

Government
Publications

Canada. Parliament. House of Commons.
Standing Committee on Indian
affairs and Northern development.
Minutes of proceedings and
evidence. 1968-69 No. 1-30


Digitized by the Internet Archive
in 2023 with funding from
University of Toronto

https://archive.org/details/31761119739589

Government Publications

A

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968 -69

85C 1

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

PROCEEDINGS

No. 1 - 30

TUESDAY, OCTOBER 22, 1968

Including

APPENDIX A

Revised Main Estimates (1968-69) of the Department of Indian Affairs and Northern Development (Northern Canada Power Commission and Northern Transportation Company Limited).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29111—1

LIBRARY
NOV 14 1968
UNIVERSITY OF TORONTO

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and

Mr. Badanai,
Mr. Buchanan,
Mr. Cullen,
Mr. Dinsdale,
[1] Mr. Duquet,
Mr. Guay (*Lévis*),
Mr. Howard (*Skeena*),
Mr. Laprise,
Mr. Leblanc (*Laurier*),
Mr. Marchand (*Kamloops-Cariboo*),
Mr. McKinley,
Mr. Nielsen,
Mr. O'Connell,
Mr. Orlikow,
Mr. Simpson,
Mr. Smerchanski,
Mr. Southam,
Mr. Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Kaplan on October 10, 1968.

LIBRARY
MAR 20 1970
UNIVERSITY OF TORONTO

ORDERS OF REFERENCE

HOUSE OF COMMONS,
TUESDAY, October 8, 1968.

Resolved,—That the following Members do compose the Standing Committee on Indian Affairs and Northern Development:

Messrs.

Badanai,	Laprise,	Orlikow,
Buchanan,	Leblanc (*Laurier*),	Simpson,
Cullen,	Marchand (*Kamloops-Cariboo*),	Smerchanski,
Dinsdale,	McKinley,	Southam,
Guay (*Lévis*),	Nielsen,	St-Pierre,
Howard (*Skeena*),	O'Connell,	Watson,
Kaplan,		Yewchuk—(20).

THURSDAY, October 10, 1968.

Ordered,—That the name of Mr. Duquet be substituted for that of Mr. Kaplan on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, October 16, 1968.

Ordered,—That, saving always the powers of the Committee of Supply in relation to the voting of public moneys, the items listed in the Revised Main Estimates for 1968-69, relating to Indian Affairs and Northern Development, the Northern Canada Power Commission and the Northern Transportation Company Limited, be withdrawn from the Committee of Supply and referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST.

ALISTAIR FRASER,
The Clerk of the House of Commons.

29111—1½

MINUTES OF PROCEEDINGS

TUESDAY, October 22, 1968.
(1)

(*Text*)

The Standing Committee on Indian Affairs and Northern Development met this day at 10:09 a.m. for the purposes of organization.

Members present: Messrs. Badanai, Buchanan, Cullen, Dinsdale, Duquet, Guay (*Lévis*), Howard (*Skeena*), Leblanc (*Laurier*), Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Southam, St-Pierre, Watson and Yewchuk—(15).

The Clerk attending and having called for nominations to elect a Chairman, it was moved by Mr. Leblanc (*Laurier*), seconded by Mr. Badanai, that Mr. Ian Watson be elected Chairman of this Committee.

On motion of Mr. Southam, seconded by Mr. Howard (*Skeena*), it was
Resolved,—That nominations be closed.

The Clerk putting the original question, it was
Resolved,—That Mr. Ian Watson be elected Chairman of this Committee.

Mr. Watson took the Chair and thanked the Committee for the honour conferred on him.

The Committee's Order of Reference dated October 16, 1968 were read.

On motion of Mr. Dinsdale, seconded by Mr. Howard (*Skeena*), it was
Agreed,—That the Sub-Committee on Agenda and Procedure, to be established later this day, consider and report back to the Committee on the method and manner the Committee should follow in considering its Order of Reference.

The Chairman called for nominations for the election of a Vice-Chairman.

It was moved by Mr. Marchand (*Kamloops-Cariboo*), seconded by Mr. Guay (*Lévis*) that Mr. Paul St-Pierre be elected Vice-Chairman of this Committee.

On motion of Mr. Badanai, seconded by Mr. Southam, it was
Resolved,—That nominations be closed.

After debate, the question being put on the original motion, it was
Resolved,—That Mr. Paul St-Pierre be elected Vice-Chairman of this Committee.

On motion of Mr. Cullen, seconded by Mr. O'Connell, it was

Agreed,—That the items listed in the Revised Main Estimates for 1968-69 relating to Indian Affairs and Northern Development, Northern Canada Power Commission and Northern Transportation Company Limited be printed as an appendix to Issue No. 1 of the proceedings of this Committee (*See Appendix "A"*).

Mr. Yewchuk moved, seconded by Mr. Howard (*Skeena*), that the Committee print 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence.

After debate, the question being put it was

Agreed,—That the Committee print 750 copies in English and 350 copies in French of its Minutes of Proceedings and Evidence.

On motion of Mr. Southam, seconded by Mr. Howard (*Skeena*), it was

Agreed,—That the Chairman, the Vice-Chairman and five (5) members, appointed by the Chairman, do compose the Sub-Committee on Agenda and Procedure.

On motion of Mr. Howard (*Skeena*), seconded by Mr. Badanai, it was

Agreed,—That the Committee adjourn to the call of the Chair.

At 10:30 a.m., the Committee adjourned to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

APPENDIX "A"

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REVISED ESTIMATES, 1968-69

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
(S)	Minister of Indian Affairs and Northern Development—Salary and Motor Car Allowance (Details, page 196)	17,000	17,000		
	ADMINISTRATION				
1	Departmental Administration (Details, page 196)	2,940,700	2,209,800	730,900	
—	Appropriation not required for 1968-69 (Details, page 197)	.....	77,580	.....	77,580
		2,940,700	2,287,380	653,320	
	INDIAN AFFAIRS				
5	Administration, Operation and Maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and Territories and with local School Boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the Provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods (Details, page 197)	101,201,000	87,034,700	14,166,300	
10	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the share of Provincial Governments of expenditures on roads and related works and equipment, construction or acquisition of works for Indian Bands, the operation and control of which may be transferred to the Indian Bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian Bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local School Boards in respect				

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS (Continued)				
10	(Continued) of the education in Indian schools of children other than Indian children (Details, page 203)	34,237,000	33,913,000	324,000	
(S)	Indian Annuities and Miscellaneous Pensions (Details, page 205)	536,000	530,420	5,580	
		135,974,000	121,478,120	14,495,880	
	NORTHERN PROGRAM				
20	Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Governments of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs (Details, page 205)	40,466,300	33,777,901	6,688,399	
25	Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the Department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-				

No. of Vote	Service	1968-69	1967-68	Change	
				Increase	Decrease
		$	$	$	$
	NORTHERN PROGRAM (Continued)				
25	(Continued)				
	bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,195,600 (Details, page 215)....	22,265,700	21,614,801	650,899	
(S)	Northern Mineral Development Assistance Grants (Details, page 218).....	1,500,000	3,000,001	.....	1,500,001
33	Payment to the Government of the Northwest Territories in accordance with an agreement between Canada and the Northwest Territories, the agreement to provide that the Government of the Northwest Territories will not impose, levy or collect individual income taxes, corporation income taxes, corporation taxes or succession duties, as defined in the agreement; the payment to the Government of the Northwest Territories under the agreement to be calculated on the following bases: (a) A subsidy of eighty cents per head in respect of the population of the Northwest Territories as determined by the 1961 census; (b) A grant in aid of the Government and Council of the Northwest Territories of $30,000; and (c) An operating grant in the amount of $5,104,660 which, when added to the payments under paragraphs (a) and (b), will equal the estimated operating deficit of the Government of the Northwest Territories in the current fiscal year; together with payments in respect of amortization payments on outstanding loans for capital expenditures in the Northwest Territories, as provided in the agreement (Details, page 218).....	6,392,100	5,670,780	721,320	
34	Payment to the Government of the Yukon Territory in accordance with an agreement to be entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada, and the Commissioner of the Yukon Territory, on behalf of the Government of the Yukon Territory, such agreement to provide (on such terms and conditions as may be agreed upon) that the Government of the Yukon Territory will not impose, levy or collect the taxes specified in the agreement; the payment to the Government of the Yukon Territory to be calculated in accordance with such agreement; payments in respect of amortization payments on outstanding loans for capital expenditures in the Yukon Territory, as provided in the agreement; and to authorize interim payments to the Government of the Yukon Territory prior to the signing of the said agreement (the amount payable under the agreement to be reduced by the aggregate of all interim payments) (Details, page 219).....	5,576,300	4,100,000	1,476,300	
		76,200,400	68,163,483	8,036,917	

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	CONSERVATION				
	National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—				
35	Administration, Operation and Maintenance including grants as detailed in the Estimates, payment to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia (Details, page 219)...	22,217,000	19,820,000	2,397,000	
40	Construction or Acquisition of Buildings, Works, Land and Equipment including expenditures on works on other than Federal property and authority to make expenditures on proposed new national parks in the areas of Kejimkujik Lake in Nova Scotia and in New Brunswick and Newfoundland (Details, page 226).....	19,230,900	19,936,100	.....	705,200
		41,447,900	39,756,100	1,691,800	
	SUMMARY				
	To be voted.....	**254,527,000**	228,154,662	26,372,338	
	Authorized by Statute.....	**2,053,000**	3,547,421	.....	1,494,421
		256,580,000	**231,702,083**	**24,877,917**	

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		Approximate Value of Major Services not included in these Estimates		
		Accommodation (provided by the Department of Public Works)	2,216,000	4,188,100
		Accommodation (in this Department's own buildings)	9,462,900	8,517,500
		Accounting and cheque issue services (Comptroller of the Treasury)	1,676,100	1,385,900
		Contributions to Superannuation Account (Treasury Board)	3,929,000	1,774,800
		Contributions to Canada Pension Plan Account and Quebec Pension Plan Account (Treasury Board)	711,700	408,100
		Employee surgical-medical insurance premiums (Treasury Board)	112,700	202,500
		Employee compensation payments (Department of Labour)	258,400	234,900
		Carrying of franked mail (Post Office Department)	87,100	77,000
			18,453,900	16,788,800
		Statutory—Minister of Indian Affairs and Northern Development—Salary and Motor Car Allowance		
		Salary (1)	15,000	15,000
		Motor Car Allowance (1)	2,000	2,000
			17,000	17,000
		Vote 1—Departmental Administration		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Deputy Minister ($26,500)		
3	3	Senior Officer 3 ($20,500–$25,750)		
1	1	Senior Officer 2 ($18,500–$23,500)		
1	1	Senior Officer 1 ($16,500–$21,250)		
1	1	($18,000–$21,000)		
1		($16,000–$18,000)		
1	1	($14,000–$16,000)		
10	10	($12,000–$14,000)		
2	2	($8,000–$10,000)		
1	1	($6,000–$8,000)		
		Administrative and Foreign Service:		
2	2	($18,000–$21,000)		
3	3	($16,000–$18,000)		
16	14	($14,000–$16,000)		
14	12	($12,000–$14,000)		
32	30	($10,000–$12,000)		
76	72	($8,000–$10,000)		
10	10	($6,000–$8,000)		
		Technical, Operational and Service:		
2	2	($6,000–$8,000)		
5	5	($4,000–$6,000)		
		Administrative Support:		
2	2	($8,000–$10,000)		
16	16	($6,000–$8,000)		
104	103	($4,000–$6,000)		
13	13	(Under $4,000)		
317	305			
(317)	(305)	Continuing Establishment	2,428,000	1,897,100
(5)	(5)	Casuals and Others	20,100	14,900
(322)	(310)	Salaries and Wages (1)	2,448,100	1,912,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		Vote 1 (Continued)		
		Overtime (1)	4,700	2,600
		Allowances (1)	7,300	
		Travelling and Removal Expenses (2)	133,200	110,700
		Freight, Express and Cartage (2)	1,500	1,500
		Postage (2)	6,000	6,000
		Telephones and Telegrams (2)	56,900	29,700
		Publication of Departmental Report (3)	21,500	4,500
		Exhibits, Advertising, Broadcasting and Displays (3)	2,100	3,500
		Professional and Special Services (4)	70,100	45,600
		Office Stationery, Supplies and Equipment (7)	168,000	85,200
		Materials and Supplies (7)	5,500	500
		Sundries (12)	15,800	8,000
			2,940,700	**2,209,800**
		Expenditure 1965–66 $ 1,418,559 1966–67 1,911,609 1967–68 (estimated) 2,330,700		
		Appropriation not required for 1968–69		
		Contribution to the Province of Alberta, pursuant to an agreement entered into with the approval of the Governor in Council by Canada with the Province, of amounts equal to one-half of the amounts confirmed by the Province as having been spent by it for Camp ground and Picnic Area developments; amount required to complete the payments to the Province (10)	.....	**77,580**
		INDIAN AFFAIRS		
		Vote 5—Administration, Operation and Maintenance including expenditures on works on other than federal property, grants, contributions and special payments including those specified in the sub-vote titles in the Estimates, recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and Territories and with local School Boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, authority to make grants and contributions pursuant to agreements entered into with the Governments of the Provinces or the Territories or other groups or authorities approved of by the Governor in Council for the provision of welfare and other services to Indians, and authority to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		GENERAL ADMINISTRATION		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		Senior Officer 2 ($18,500–$23,500)		
2	2	Senior Officer 1 ($16,500–$21,250)		
3	10	($14,000–$16,000)		
4	3	($12,000–$14,000)		
5	7	($10,000–$12,000)		
	20	($8,000–$10,000)		
		Administrative and Foreign Service:		
7	9	($16,000–$18,000)		
12	1	($14,000–$16,000)		
11	9	($12,000–$14,000)		
23	13	($10,000–$12,000)		
60	27	($8,000–$10,000)		
27	49	($6,000–$8,000)		
		Technical, Operational and Service:		
1	4	($6,000–$8,000)		
8	9	($4,000–$6,000)		
		Administrative Support:		
19	4	($8,000–$10,000)		
153	67	($6,000–$8,000)		
324	391	($4,000–$6,000)		
23	35	(Under $4,000)		
		Prevailing Rate Positions:		
	1	(Full Time)		
		Ships' Officers and Crews:		
3	3	(Full Time)		
2	2	(Seasonal)		
688	666			
(688)	(666)	Continuing Establishment	3,742,000	3,728,000
(17)	(17)	Casuals and Others	23,000	26,000
(705)	(683)	Salaries and Wages (1)	3,765,000	3,754,000
		Allowances (1)	35,000	32,000
		Travelling and Removal Expenses (2)	310,000	293,000
		Freight, Express and Cartage (2)	33,000	29,000
		Postage (2)	60,000	50,000
		Telephones, Telegrams and Other Communication Services (2)	213,000	208,000
		Publication of Departmental Reports and Other Material (3)	59,000	52,000
		Exhibits, Advertising, Broadcasting and Displays (3)	83,000	67,000
		Professional and Special Services (4)	244,000	248,000
		Rental of Buildings, Works and Land (5)	10,000	9,000
		Repairs and Upkeep of Buildings and Works (6)	160,000	154,000
		Repairs and Upkeep of Equipment (6)	52,000	48,000
		Office Stationery, Supplies and Equipment (7)	355,000	340,000
		Materials and Supplies (7)	133,000	146,000
		Municipal or Public Utility Services (7)	108,000	101,000
		Sundries, including Indian Consultation (12)	147,000	243,000
			5,817,000	5,774,000
		Expenditure		
		1965–66 $ 3,384,496		
		1966–67 4,653,049		
		1967–68 (estimated) 5,673,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES, INCLUDING A GRANT OF $1,200 TO THE TRUSTEES OF THE SKOOKUM JIM MEMORIAL HALL IN WHITEHORSE, $52,700 FOR GRANTS TO FAIRS AND OTHER ORGANIZATIONS TO PROMOTE INDIAN AGRICULTURE, HANDICRAFT AND ECONOMIC ENTERPRISES GENERALLY, OTHER GRANTS AND CONTRIBUTIONS AND AUTHORITY TO MAKE GRANTS AND CONTRIBUTIONS PURSUANT TO AGREEMENTS ENTERED INTO WITH THE GOVERNMENTS OF THE PROVINCES OR THE TERRITORIES OR OTHER GROUPS OR AUTHORITIES APPROVED OF BY THE GOVERNOR IN COUNCIL FOR THE PROVISION OF WELFARE AND OTHER SERVICES TO INDIANS, SPECIAL PAYMENTS IN RESPECT OF SOCIAL ASSISTANCE TO PERSONS OTHER THAN INDIANS RESIDING ON INDIAN RESERVES, RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF THE PROVINCES AND THE TERRITORIES IN RESPECT OF SOCIAL ASSISTANCE TO PERSONS OTHER THAN INDIANS RESIDING ON INDIAN RESERVES, AND AUTHORITY TO PROVIDE, IN RESPECT OF INDIAN COMMERCIAL ACTIVITIES, FOR THE INSTRUCTION AND SUPERVISION OF INDIANS, THE FURNISHING OF MATERIALS, THE PURCHASE OF FINISHED GOODS AND, NOTWITHSTANDING ANY OTHER ACT, THE SALE OF SUCH FINISHED GOODS		
		Salaried Positions:		
		Executive, Scientific and Professional:		
	1	Senior Officer 2 ($18,500–$23,500)		
3	10	($14,000–$16,000)		
11	26	($12,000–$14,000)		
28	119	($10,000–$12,000)		
14	101	($8,000–$10,000)		
	160	($6,000–$8,000)		
		Administrative and Foreign Service:		
4		($18,000–$21,000)		
	3	($16,000–$18,000)		
10		($14,000–$16,000)		
17	3	($12,000–$14,000)		
108	12	($10,000–$12,000)		
109		($8,000–$10,000)		
172	13	($6,000–$8,000)		
2	1	($4,000–$6,000)		
10	10	(Seasonal)		
		Technical, Operational and Service:		
4		($14,000–$16,000)		
3	1	($12,000–$14,000)		
17	12	($10,000–$12,000)		
33	17	($8,000–$10,000)		
62	56	($6,000–$8,000)		
16	46	($4,000–$6,000)		
	1	(Part Time)		
		Administrative Support:		
3	8	($6,000–$8,000)		
94	77	($4,000–$6,000)		
5	8	(Under $4,000)		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES (Continued)		
		Prevailing Rate Positions:		
7	12	(Full Time)		
		Ships' Officers and Crews:		
2	2	(Full Time)		
734	699			
(732)	(697)	Continuing Establishment	4,889,000	4,763,000
(37)	(37)	Casuals and Others	70,000	76,000
(769)	(734)	Salaries and Wages (1)	4,959,000	4,839,000
		Allowances (1)	83,000	73,000
		Travelling and Removal Expenses (2)	1,025,600	962,000
		Freight, Express and Cartage (2)	41,000	37,000
		Telephones, Telegrams and Other Communication Services (2)	112,000	107,000
		Publication of Departmental Reports and Other Material (3)	33,000	40,000
		Exhibits, Advertising, Broadcasting and Displays (3)	66,000	57,000
		Indian Exhibit at Universal and International Exhibition of 1967 (3)	.....	223,000
		Professional and Special Services (4)	6,543,000	5,761,000
		Rental of Buildings, Works and Land (5)	29,000	26,000
		Repairs and Upkeep of Buildings and Works (6)	2,506,000	1,863,000
		Repairs and Upkeep of Equipment (6)	282,000	220,000
		Office Stationery, Supplies and Equipment (7)	32,000	31,000
		Materials and Supplies (7)	2,762,000	2,289,000
		Municipal or Public Utility Services (7)	72,000	51,000
		Grant to the Trustees of the Skookum Jim Memorial Hall in Whitehorse (10)	1,200	1,200
		Grants to Fairs and other organizations to promote Indian agriculture, handicraft, and economic enterprises generally (10)	52,700	52,700
		Grants to individuals or organizations for the development or advancement of Indian culture (10)	44,700	24,200
		Band Council Grants, including Reserve Improvement Grants (10)	1,100,000	549,000
		Grants and contributions pursuant to agreements entered into with the Governments of the Provinces or Territories, for the provision of welfare and other services to Indians (10)	2,304,400	1,999,000
		Cash payments for general assistance to Indians (10)	15,969,000	14,219,000
		Development Program for Indians including Treaty Obligations, Forestry Operations, Handicrafts (12)	766,000	754,000
		Travel and burial of destitute Indians, expenses of Indian conferences, training courses and seminars, and rehabilitation of physically and socially handicapped Indians (12)	471,000	450,000
		Sundries including training of community development officers (12)	467,400	648,600
			39,722,000	35,276,700
		Expenditure		
		1965-66 $ 26,335,774		
		1966-67 31,016,740		
		1967-68 (estimated) 35,378,000		

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (Continued)		
		EDUCATION—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING GRANTS AND CONTRIBUTIONS. SPECIAL PAYMENTS IN RESPECT OF THE EDUCATION IN INDIAN AND NON-INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN RESIDING ON RESERVES, RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF PROVINCES AND TERRITORIES AND WITH LOCAL SCHOOL BOARDS IN RESPECT OF THE EDUCATION IN INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
18		($14,000–$16,000)		
63	12	($12,000–$14,000)		
149	82	($10,000–$12,000)		
319	256	($8,000–$10,000)		
595	394	($6,000–$8,000)		
351	768	($4,000–$6,000)		
43	43	(Part Time)		
		Administrative and Foreign Service:		
5	2	($16,000–$18,000)		
6	14	($14,000–$16,000)		
4	1	($12,000–$14,000)		
8	34	($10,000–$12,000)		
16	18	($8,000–$10,000)		
17	29	($6,000–$8,000)		
		Technical, Operational and Service:		
3		($10,000–$12,000)		
1	2	($6,000–$8,000)		
274	113	($4,000–$6,000)		
	56	(Under $4,000)		
12	12	(Part Time)		
1	11	(Seasonal)		
		Administrative support:		
2	7	($6,000–$8,000)		
108	98	($4,000–$6,000)		
2	6	(Under $4,000)		
1	1	(Seasonal)		
		Prevailing Rate Positions:		
24	24	(Full Time)		
11	11	(Seasonal)		
2,034	1,995			
(1,998)	(1,959)	Continuing Establishment	13,263,000	11,260,000
(86)	(86)	Casuals and Others	141,000	121,000
(2,084)	(2,045)	Salaries and Wages (1)	13,404,000	11,381,000
		Allowances (1)	499,000	451,000
		Travelling and Removal Expenses (2)	618,000	572,000
		Freight, Express and Cartage (2)	33,000	79,000
		Telephones, Telegrams and Other Communication Services (2)	131,000	96,000
		Publication of Departmental Reports and Other Material (3)	3,000	3,000
		Exhibits, Advertising, Broadcasting and Displays (3)	33,000	33,000
		Professional and Special Services (4)	10,634,000	10,599,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 5 (continued)		
		EDUCATION (Continued)		
		Rental of Buildings, Works and Lands....(5)	50,000	52,000
		Repairs and Upkeep of Buildings, Works and Lands...(6)	1,548,000	1,130,000
		Repairs and Upkeep of Equipment....(6)	154,000	150,000
		Office Stationery, Supplies and Equipment....(7)	72,000	68,000
		Materials and Supplies....(7)	3,181,000	2,465,000
		Municipal or Public Utility Services....(7)	329,000	316,000
		Payments to Indians to assist in relocation....(10)	639,000	253,000
		Tuition and Maintenance of Indians in non-Federal schools, travel of Indian pupils....(12)	23,455,000	17,421,000
		Sundries including Employment and Placement....(12)	779,000	815,000
			55,562,000	45,884,000
		(Further Details)		
		General Administration and Supervision....	2,104,000	2,411,000
		Education in Federal Schools....	14,106,000	12,426,000
		Education in Non-Federal Schools....	14,392,000	10,163,000
		Transportation and Maintenance of Pupils....	19,012,000	16,536,000
		Adult Education....	926,000	617,000
		Vocational and Special Training....	3,208,000	2,553,000
		Employment and Relocation....	1,814,000	1,178,000
			55,562,000	45,884,000
		Expenditure		
		1965-66.... $ 34,630,982		
		1966-67.... 41,556,885		
		1967-68 (estimated).... 49,084,000		
		GRANT TO PROVIDE ADDITIONAL SERVICES TO INDIANS OF BRITISH COLUMBIA INCLUDING AUTHORITY TO TRANSFER THESE FUNDS INTO THE TRUST ACCOUNTS OF THE INDIAN BANDS OF BRITISH COLUMBIA ON A PER-CAPITA BASIS....(10)	100,000	100,000
		Expenditure		
		1965-66.... $ 100,000		
		1966-67.... 100,000		
		1967-68 (estimated).... 100,000		
		Total, Vote 5....	**101,201,000**	**87,034,700**
		Expenditure		
		1965-66.... $ 64,451,252		
		1966-67.... 77,326,674		
		1967-68 (estimated).... 90,235,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 10—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amounts of the share of Provincial Governments of expenditures on roads and related works and equipment, construction or acquisition of works for Indian Bands, the operation and control of which may be transferred to the Indian Bands at the discretion of the Minister of Indian Affairs and Northern Development, expenditures on works on other than federal property, assistance to Indians and Indian Bands for the construction or acquisition of housing and other buildings and related works, land and equipment, and recoverable expenditures under agreements entered into with the approval of the Governor in Council with the Governments of the Provinces and the Territories and with local School Boards in respect of the education in Indian Schools of children other than Indian children		
		GENERAL ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land.....(8)	254,000	353,000
		Construction or Acquisition of Equipment.....(9)	77,000	68,000
			331,000	421,000
		Expenditure		
		1965-66..... $ 222,154		
		1966-67..... 298,985		
		1967-68 (estimated)..... 442,000		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNTS OF THE SHARE OF PROVINCIAL GOVERNMENTS OF EXPENDITURES ON ROADS AND RELATED WORKS AND EQUIPMENT AND INCLUDING CONSTRUCTION OR ACQUISITION OF WORKS FOR INDIAN BANDS, THE OPERATION AND CONTROL OF WHICH MAY BE TRANSFERRED TO THE INDIAN BANDS AT THE DISCRETION OF THE MINISTER, EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY, AND ASSISTANCE TO INDIANS AND INDIAN BANDS FOR THE CONSTRUCTION OR ACQUISITION OF HOUSING AND OTHER BUILDINGS AND RELATED WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land.....(8)	22,659,000	21,663,000
		Construction or Acquisition of Equipment.....(9)	1,107,000	1,700,000
			23,766,000	23,363,000

29111—2½

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Vote 10 (Continued)		
		DEVELOPMENT AND MAINTENANCE OF INDIAN COMMUNITIES (Continued)		
		Less—Amount recoverable from Provincial Governments.....(13)	1,222,000	
			22,544,000	23,363,000
		Expenditure		
		1965–66..... $ 8,269,410		
		1966–67..... 15,063,231		
		1967–68 (estimated)..... 21,602,000		
		EDUCATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY AND RECOVERABLE EXPENDITURES UNDER AGREEMENTS ENTERED INTO WITH THE APPROVAL OF THE GOVERNOR IN COUNCIL WITH THE GOVERNMENTS OF PROVINCES AND TERRITORIES AND WITH LOCAL SCHOOL BOARDS IN RESPECT OF THE EDUCATION IN INDIAN SCHOOLS OF CHILDREN OTHER THAN INDIAN CHILDREN		
		Construction or Acquisition of Buildings, Works and Land.....(8)	10,379,000	9,371,000
		Construction or Acquisition of Equipment.....(9)	983,000	758,000
			11,362,000	10,129,000
		(Further Details)		
		Payments in respect of Federal Educational Facilities for Indian Pupils.....	5,962,000	6,506,000
		Payments under agreement to provide Joint Educational Facilities to Indian Pupils.....	5,400,000	3,623,000
			11,362,000	10,129,000
		Expenditure		
		1965–66..... $ 7,076,345		
		1966–67..... 11,442,594		
		1967–68 (estimated)..... 9,879,000		
		Total, Vote 10.....	**34,237,000**	**33,913,000**
		Expenditure		
		1965–66..... $ 15,567,909		
		1966–67..... 26,804,810		
		1967–68 (estimated)..... 31,923,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		INDIAN AFFAIRS (Continued)		
		Statutory—Indian Annuities and Miscellaneous Pensions		
		STATUTORY—INDIAN ANNUITIES (CHAP. 149, R.S.).....(12)	535,580	530,000
		Expenditure 1965–66..... $ 525,194 1966–67..... 513,494 1967–68 (estimated)..... 530,000		
		STATUTORY—PENSION TO MRS. DORIS RYCKMAN (CHAP. 50, STATUTES OF 1936).....(1)	420	420
		Total, Statutory Item.....	**536,000**	**530,420**
		Expenditure 1965–66..... $ 525,614 1966–67..... 513,914 1967–68 (estimated)..... 530,420		
		NORTHERN PROGRAM		
		Vote 20—Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Governments of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		ADMINISTRATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF CENTRAL SERVICES ASSOCIATED WITH NORTHERN ADMINISTRATION BRANCH INCLUDING CIVIL SERVICE HOUSING AND GRANTS AND CONTRIBUTIONS AS DETAILED IN THE ESTIMATES AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
2	2	Senior Officer 2 ($18,500–$23,500)		
2	2	Senior Officer 1 ($16,500–$21,250)		
4	3	($16,000–$18,000)		
3	3	($14,000–$16,000)		
13	11	($12,000–$14,000)		
9	9	($10,000–$12,000)		
	5	($8,000–$10,000)		
		Administrative and Foreign Service:		
4		($18,000–$21,000)		
1	2	($16,000–$18,000)		
5		($14,000–$16,000)		
11		($12,000–$14,000)		
15	2	($10,000–$12,000)		
75	52	($8,000–$10,000)		
16	55	($6,000–$8,000)		
	13	($4,000–$6,000)		
		Technical, Operational and Service:		
1		($14,000–$16,000)		
1		($12,000–$14,000)		
3		($10,000–$12,000)		
26	15	($8,000–$10,000)		
27	42	($6,000–$8,000)		
25	35	($4,000–$6,000)		
	1	(Under $4,000)		
		Administrative Support:		
55	1	($6,000–$8,000)		
199	148	($4,000–$6,000)		
18	119	(Under $4,000)		
		Prevailing Rate Positions:		
221	208	(Full Time)		
1	1	(Seasonal)		
737	729			
(737)	(729)	Continuing Establishment	3,862,400	3,700,300
(17)	(17)	Casuals and Others	87,900	80,500
(754)	(746)	Salaries and Wages (1)	3,950,300	3,780,800
		Overtime (1)	62,000	62,000
		Isolation and Other Allowances (1)	515,500	491,300
		Memberships (1)	400	400
		Unemployment Insurance Contributions (1)	16,800	19,900
		Travelling and Removal Expenses (2)	474,000	454,000
		Transportation Costs of Other than Government Employees (2)	207,700	66,000
		Freight, Express and Cartage (2)	892,400	897,200
		Postage (2)	20,800	18,800
		Telephones, Telegrams and Other Communication Services (2)	215,300	172,200

Positions (man-years)		Details of Services		Amount	
1968–69	1967–68			1968–69	1967–68
				$	$
		NORTHERN PROGRAM (Continued)			
		Vote 20 (Continued)			
		ADMINISTRATION (Continued)			
		Publications	(3)	19,500	18,900
		Displays and Publicity	(3)	4,500	6,500
		Professional and Special Services	(4)	602,700	915,600
		Rental of Equipment	(5)	127,100	119,600
		Rental of Land, Buildings and Works	(5)	13,200	8,800
		Repairs and Upkeep of Buildings and Works	(6)	581,600	617,400
		Repairs and Upkeep of Equipment	(6)	338,900	315,600
		Fuel for Heating Departmental Buildings	(7)	475,700	434,100
		Other Materials and Supplies	(7)	649,800	338,800
		Municipal or Public Utility Services	(7)	1,343,500	538,000
		Office Stationery, Supplies and Equipment	(7)	150,300	146,800
		Grant to the Northwest Territories Government towards the cost of construction of a water intake system at Yellowknife, N.W.T.	(10)	250,000	
		Grant to Yukon Territorial Government for hospital care of Indians	(10)	85,000	75,000
		Grant to the Northwest Territories Government for hospital care of Indians and Eskimos	(10)	512,100	583,600
		Contribution towards the construction of community halls	(10)	50,000	50,000
		Contribution to the Yukon Territorial Government towards the cost of construction of a water and sewer system at Mayo and a water and sewer system at Watson Lake, Y.T.	(10)	.....	83,000
		Grants to the Commissioner of the Northwest Territories to reimburse the Commissioner for the costs, other than capital costs, incurred in the current fiscal year in establishing the Government of the Northwest Territories in Yellowknife, N.W.T.	(10)	.....	263,000
		Contribution to the Government of Newfoundland respecting Eskimos	(10)	500,000	168,100
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government towards the operation and maintenance of medium security institution and the minimum security institution in the Yukon Territory	(10)	264,300	
		Grant to the Commissioner of the Northwest Territories for the amortization of loans made for capital costs incurred in establishing the Government of the Northwest Territories in Yellowknife, N.W.T.	(10)	100,000	
		Grant to the Northwest Territories Government for game management and to assist in providing tourist services	(10)	445,400	
		Sundries	(12)	44,000	40,200
				12,912,800	10,685,600
		Less—Amount Recoverable from the Government of the Northwest Territories ($46,500) and anticipated lapses ($464,500)	(13)	511,000	846,599
				12,401,800	9,839,001

	Expenditure	Revenue
	$	$
1965–66	.....	.....
1966–67	9,066,100	757,615
1967–68 (estimated)	10,635,000	755,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		EDUCATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF ACADEMIC AND VOCATIONAL PROGRAMS INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNT OF THE SHARE OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES OF EXPENDITURES ON EDUCATION AND VOCATIONAL TRAINING AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
2		($14,000–$16,000)		
24		($12,000–$14,000)		
38	51	($10,000–$12,000)		
135	14	($8,000–$10,000)		
236	349	($6,000–$8,000)		
37	28	($4,000–$6,000)		
		Administrative and Foreign Service:		
8	7	($16,000–$18,000)		
7		($14,000–$16,000)		
5	11	($12,000–$14,000)		
2		($10,000–$12,000)		
26	2	($8,000–$10,000)		
	26	($6,000–$8,000)		
3		($4,000–$6,000)		
		Technical, Operational and Service:		
6		($12,000–$14,000)		
7	12	($10,000–$12,000)		
3		($8,000–$10,000)		
6	7	($6,000–$8,000)		
15	8	($4,000–$6,000)		
	8	(Under $4,000)		
		Administrative Support:		
2	1	($6,000–$8,000)		
42	30	($4,000–$6,000)		
2	11	(Under $4,000)		
		Prevailing Rate Positions:		
78	74	(Full Time)		
685	640			
(685)	(640)	Continuing Establishment	5,506,400	4,619,900
(15)	(16)	Casuals and Others	77,900	73,600
(700)	(656)	Salaries and Wages (1)	5,584,300	4,693,500
		Isolation and Other Allowances (1)	834,000	760,900
		Memberships (1)	400	400
		Unemployment Insurance Contributions (1)	300	400
		Travelling and Removal Expenses (2)	653,000	558,500
		Transportation Costs of other than Government Employees (2)	469,300	299,500
		Freight, Express and Cartage (2)	721,100	398,800
		Departmental and Educational Publications (3)	69,000	38,500
		Audio-Visual Aids, Publicity (3)	107,300	119,700
		Tuition, Maintenance and Other Payments (4)	1,590,500	1,353,100
		Other Professional and Special Services (4)	970,200	1,203,500
		Rental of Equipment (5)	55,000	53,200
		Rental of Land and Buildings (5)	10,200	11,400
		Repairs and Upkeep of Buildings and Works (6)	426,500	477,900

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		EDUCATION (Continued)		
		Repairs and Upkeep of Equipment.....(6)	274,600	269,100
		Fuel for Heating Departmental Buildings.....(7)	349,700	336,000
		Other Materials and Supplies.....(7)	1,339,800	979,500
		Municipal or Public Utility Services.....(7)	956,800	381,500
		Sundries.....(12)	90,900	53,600
			14,502,900	11,989,000
		Less—Amount Recoverable from the Government of the Northwest Territories ($2,167,000) and anticipated lapses ($475,700).....(13)	2,642,700	2,513,000
			11,860,200	9,476,000
		Expenditure Revenue		
		1965–66..... $ ..... $		
		1966–67..... 8,641,150 179,700		
		1967–68 (estimated)..... 9,721,000 179,000		
		REGIONAL DEVELOPMENT—ADMINISTRATION, OPERATION AND MAINTENANCE OF SMALL BUSINESS DEVELOPMENT, SURFACE RESOURCE MANAGEMENT AND NORTHERN PUBLIC HOUSING INCLUDING GRANTS AND CONTRIBUTIONS AS DETAILED IN THE ESTIMATES, AUTHORITY TO PROVIDE IN RESPECT OF INDIAN AND ESKIMO COMMERCIAL ACTIVITIES FOR THE INSTRUCTION AND SUPERVISION OF INDIANS AND ESKIMOS, THE FURNISHING OF MATERIALS, THE PURCHASE OF FINISHED GOODS AND NOTWITHSTANDING ANY OTHER ACT, THE SALE OF SUCH FINISHED GOODS, TO MAKE PAYMENTS TO INDIANS AND ESKIMOS UNDER SOCIAL ASSISTANCE, WELFARE AND HOUSING AND CHILD WELFARE PROGRAMS AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1		($14,000–$16,000)		
11	8	($12,000–$14,000)		
22	4	($10,000–$12,000)		
26	33	($8,000–$10,000)		
	1	($6,000–$8,000)		
		Administrative and Foreign Service:		
2		($18,000–$21,000)		
	2	($16,000–$18,000)		
5		($14,000–$16,000)		
11	2	($12,000–$14,000)		
13	4	($10,000–$12,000)		
53	19	($8,000–$10,000)		
5	40	($6,000–$8,000)		
		Technical, Operational and Service:		
3		($8,000–$10,000)		
13	29	($6,000–$8,000)		
8	44	($4,000–$6,000)		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		REGIONAL DEVELOPMENT (Continued)		
		Salaried Positions: (Continued)		
		Administrative Support:		
8	1	($6,000–$8,000)		
40	38	($4,000–$6,000)		
4	19	(Under $4,000)		
		Prevailing Rate Positions:		
51	63	(Full Time)		
37	31	(Seasonal)		
	1	Ships' Officers and Crews: (Seasonal)		
313	339			
(294)	(317)	Continuing Establishment	2,316,200	2,373,100
(22)	(24)	Casuals and Others	129,000	65,600
(316)	(341)	Salaries and Wages (1)	2,445,200	2,438,700
		Overtime (1)	30,000	30,000
		Isolation and Other Allowances (1)	334,900	356,300
		Memberships (1)	3,000	3,000
		Unemployment Insurance Contributions (1)	1,200	1,000
		Travelling and Removal Expenses (2)	361,400	355,000
		Transportation Costs of other than Government Employees (2)	578,600	517,000
		Freight, Express and Cartage (2)	395,100	111,300
		Telephones, Telegrams and other Communication Services (2)	5,500	4,700
		Departmental Publications (3)	42,800	33,500
		Audio-Visual Aids, Displays and Publicity (3)	80,200	49,900
		Tuition, Maintenance and other Payments (4)	438,100	802,100
		Other Professional and Special Services (4)	810,200	1,214,300
		Rental of Equipment (5)	416,700	415,900
		Rental of Land and Buildings (5)	1,000	2,600
		Repairs and Upkeep of Buildings and Works (6)	396,500	345,500
		Repairs and Upkeep of Equipment (6)	231,500	231,600
		Fuel for Heating Departmental Buildings (7)	324,400	353,200
		Purchase of Materials and Supplies for Eskimos and Indians (7)	1,113,000	1,055,600
		Other Materials and Supplies (7)	1,557,600	795,200
		Municipal or Public Utility Services (7)	888,700	400,600
		Office Stationery, Supplies and Equipment (7)	4,500	4,100
		Grants to Eskimos towards acquisition of boats for commercial fishing or resources harvesting (10)	15,000	25,000
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government for the development of campgrounds and picnic areas (10)	22,500	15,000
		Contribution in an amount equal to 50% of the expenditure by the Government of the Northwest Territories for development of campgrounds and picnic areas (10)	22,500	15,000
		Contribution in an amount equal to 50% of the expenditures by the Yukon Territorial Government for the operation of campgrounds and picnic areas in the Yukon Territory (10)	22,500	
		Grant to the Yukon Territorial Government to cover the cost of moving squatters' houses in the Whitehorse area to new locations (10)	4,000	5,000
		Grant to the Yukon Territorial Government to enable that Government to make subsidies of up to $1,000 on each low-cost house for which that Government issues a first mortgage loan (10)	40,000	20,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		REGIONAL DEVELOPMENT (Continued)		
		Grant to the Northwest Territories Government to enable that Government to make subsidies of up to $1,000 on each low-cost house for which that Government issues a first mortgage loan .. (10)	20,000	20,000
		Grants of $1,000 to Eskimos towards acquisition or construction of low-cost houses containing one bedroom and $2,000 to Eskimos toward acquisition or construction of low-cost houses containing two or more bedrooms..... (10)	30,000	30,000
		Grants to Eskimos to assist in the purchase of houses, the amount of each grant not to exceed the accumulated credits earned by the purchaser under the Eskimo Housing Rental Program..... (10)	2,000	500
		Sundries..... (12)	112,500	59,000
			10,751,100	9,710,600
		Less—Anticipated lapses..... (13)	398,200	317,600
			10,352,900	9,393,000

	Expenditure	Revenue
1965–66.....	$.....	$.....
1966–67.....	7,641,075	2,001,139
1967–68 (estimated).....	9,568,000	1,993,000

TERRITORIAL GOVERNMENTS — ADMINISTRATION, OPERATION AND MAINTENANCE OF THE OFFICES OF THE COMMISSIONERS OF THE YUKON AND NORTHWEST TERRITORIES, THE PROVISION OF MUNICIPAL SERVICES TO FEDERALLY-OWNED AND OPERATED FACILITIES AND THE SALE OF ELECTRIC POWER AND FUEL OIL (AND TO PROVIDE SERVICES IN RESPECT THEREOF) IN ACCORDANCE WITH TERMS AND CONDITIONS APPROVED BY THE GOVERNOR IN COUNCIL TO PRIVATE CONSUMERS IN REMOTE LOCATIONS WHERE ALTERNATIVE LOCAL SOURCES OF SUPPLY ARE NOT AVAILABLE AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA

		Salaried Positions:
		Executive, Scientific and Professional:
1	1	Commissioner of the Northwest Territories ($24,000)
1		Deputy Commissioner of the Northwest Territories ($21,000)
1	1	Commissioner of the Yukon Territory ($20,000)
		Administrative and Foreign Service:
1		($14,000-$16,000)
	1	($12,000–$14,000)
1		($8,000–$10,000)
	7	($6,000–$8,000)
		Technical, Operational and Service:
1		($8,000–$10,000)

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		TERRITORIAL GOVERNMENTS (Continued)		
		Salaried Position: (Continued)		
		Administrative Support:		
1	1	($6,000–$8,000)		
1	3	($4,000–$6,000)		
		Prevailing Rate Positions:		
80	73	(Full Time)		
88	87			
(88)	(87)	Continuing Establishment	111,600	159,200
(1)	(1)	Casuals and Others	11,700	6,400
(89)	(88)	Salaries and Wages (1)	123,300	165,600
		Isolation and Other Allowances (1)	10,700	20,000
		Travelling and Removal Expenses (2)	17,700	14,100
		Transportation Costs of Other than Government Employees (2)	6,400	4,500
		Freight, Express and Cartage (2)	22,500	400
		Postage (2)	2,000	1,900
		Telephones, Telegrams and Other Communication Services (2)	5,600	5,600
		Departmental Publications (3)	400	100
		Audio-Visual Aids, Displays, and Publicity (3)	200	200
		Other Professional and Special Services (4)	132,400	127,400
		Repairs and Upkeep of Buildings and Works (6)	22,500	48,800
		Repairs and Upkeep of Equipment (6)	13,000	24,900
		Materials and Supplies Including Fuel (7)	72,700	43,100
		Municipal or Public Utility Services (7)	74,200	38,000
		Office Stationery, Supplies and Equipment (7)	1,500	1,500
		Sundries (12)	1,300	2,500
			506,400	498,600
		Less—Anticipated lapses (13)	18,300	
			488,100	498,600

	Expenditure $	Revenue $
1965–66	.....	.....
1966–67	530,225	655,545
1967–68 (estimated)	499,000	653,000

		NORTHERN CO-ORDINATION AND RESEARCH—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING GRANTS AS DETAILED IN THE ESTIMATES		
		Salaried Positions:		
		Administrative and Foreign Service:		
1		($18,000–$21,000)		
	1	($16,000–$18,000)		
2	2	($14,000–$16,000)		
1	1	($12,000–$14,000)		
1		($10,000–$12,000)		
2	2	($8,000–$10,000)		
1	1	($6,000–$8,000)		
		Technical, Operational and Service:		
2	2	($12,000–$14,000)		
2	3	($10,000–$12,000)		
3	2	($8,000–$10,000)		
2	1	($6,000–$8,000)		
1	1	($4,000–$6,000)		
6	6	(Seasonal)		

Positions (man-years)		Details of Services		Amount	
1968–69	1967–68			1968–69	1967–68
				$	$
		NORTHERN PROGRAM (Continued)			
		Vote 20 (Continued)			
		NORTHERN CO-ORDINATION AND RESEARCH (Continued)			
		Salaried Positions: (Continued)			
		Administrative Support:			
8	8	($4,000–$6,000)			
1	1	(Under $4,000)			
		Prevailing Rate Positions:			
1	1	(Full Time)			
34	32				
(31)	(29)	Salaries and Wages	(1)	242,100	225,600
		Overtime	(1)	500	500
		Isolation and Other Allowances	(1)	15,400	10,700
		Travelling and Removal Expenses	(2)	24,500	17,000
		Freight, Express and Cartage	(2)	3,700	2,000
		Telephones and Telegrams	(2)	4,000	1,700
		Publication of Departmental Reports and Other Material	(3)	7,000	6,000
		Professional and Special Services	(4)	38,000	25,000
		Rental of Equipment	(5)	1,000	
		Repairs and Upkeep of Buildings and Works	(6)	500	300
		Repairs and Upkeep of Equipment	(6)	1,500	700
		Office Stationery, Supplies and Equipment	(7)	9,000	7,000
		Materials and Supplies	(7)	15,100	10,000
		Municipal or Public Utility Services	(7)	21,000	19,000
		Grant to the Arctic Institute of North America towards the publication of the Arctic Bibliography	(10)	30,000	30,000
		Grants for Northern Research and for Northern Scientific Research Expeditions	(10)	250,000	250,000
		Sundries	(12)	2,700	1,300
				666,000	606,800
			Expenditure		
		1965–66	$ 420,308		
		1966–67	499,682		
		1967–68 (estimated)	596,000		
		RESOURCE AND ECONOMIC DEVELOPMENT—ADMINISTRATION, OPERATION AND MAINTENACE OF PROGRAMS DESIGNED TO STIMULATE AND ACCELERATE THE DEVELOPMENT OF NATURAL RESOURCES, ROADS AND AIRSTRIPS IN THE YUKON AND NORTHWEST TERRITORIES, GRANTS AS DETAILED IN THE ESTIMATES AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA			
		Salaried Positions:			
		Executive, Scientific and Professional:			
1	1	($16,000-$18,000)			
1	1	($14,000-$16,000)			
5	5	($12,000-$14,000)			
9	9	($10,000-$12,000)			
8	7	($8,000-$10,000)			
3	2	($6,000-$8,000)			

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT (Continued)		
		Salaried Positions: (Continued)		
		Administrative and Foreign Service:		
2	1	($18,000-$21,000)		
2	1	($16,000-$18,000)		
5	5	($12,000-$14,000)		
7	6	($8,000-$10,000)		
7	5	($6,000-$8,000)		
		Technical, Operational and Service:		
1	1	($12,000-$14,000)		
1	1	($10,000-$12,000)		
7	5	($8,000-$10,000)		
4	3	($6,000-$8,000)		
1		($4,000-$6,000)		
		Administrative Support:		
12	12	($6,000-$8,000)		
20	20	($4,000-$6,000)		
22	21	(Under $4,000)		
		Prevailing Rate Positions:		
60	59	(Full Time)		
16	16	(Seasonal)		
1	1	(Part Time)		
195	182			
(187)	(174)	Salaries and Wages....(1)	1,379,000	1,177,100
		Isolation and Other Allowances....(1)	120,200	121,700
		Travelling and Removal Expenses....(2)	132,200	77,600
		Freight, Express and Cartage....(2)	6,900	2,500
		Postage....(2)	2,300	2,000
		Telephones and Telegrams....(2)	12,900	12,000
		Publication of Reports and other Material....(3)	22,500	10,100
		Exhibits, Advertising, Films, Broadcasting and Displays....(4)	55,800	66,300
		Professional and Special Services....(4)	359,400	281,500
		Rental of Equipment....(5)	68,900	43,800
		Repairs and Upkeep of Equipment....(6)	190,000	136,600
		Repairs and Upkeep of Buildings and Works....(6)	3,900	51,800
		Maintenance of Highways....(6)	1,940,100	1,609,000
		Materials and Supplies....(7)	118,000	108,200
		Municipal or Public Utility Services....(7)	268,100	141,700
		Office Stationery, Supplies and Equipment....(7)	46,200	37,000
		Grants of $7,500 to the British Columbia and Yukon Chamber of Mines, $7,500 to the Yukon Chamber of Mines, $7,500 to the Alberta and Northwest Chamber of Mines, $7,500 to the Northwest Territories Chamber of Mines to assist in the Operation of Prospectors' Training Courses and the maintenance of permanent offices for the purpose of educating and assisting all persons interested in searching for mineral deposits....(10)	30,000	20,000
		Grants to prospectors in accordance with terms and conditions prescribed by the Governor in Council....(10)	60,000	60,000
		Grant to Territories Mines Accident Prevention Association....(10)	2,500	2,500
		Contribution of 50% of the cost of establishing or improving airstrips for development purposes (Yukon Territory)....(10)	50,000	50,000
		Contribution of 50% of the cost of establishing or improving airstrips for development purposes (Northwest Territories)....(10)	50,000	50,000
		Sundries....(12)	6,800	8,100
			4,925,700	4,069,500

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 20 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT (Continued)		
		Less—Amount recoverable from the Government of the Northwest Territories ($110,000) and anticipated lapses ($118,400) (13)	228,400	105,000
			4,697,300	3,964,500
		Expenditure Revenue		
		1965–66 $ $		
		1966–67 3,948,975 2,930,000		
		1967–68 (estimated) 4,112,000 1,975,000		
		Total, Vote 20	**40,466,300**	**33,777,901**
		Expenditure Revenue		
		1965–66 $ $		
		1966–67 30,327,207 6,523,999		
		1967–68 (estimated) 35,131,000 5,555,000		
		Vote 25—Construction or Acquisition of Buildings, Works, Land and Equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the Department is capable of performing such service or work; authority for a program of construction and acquisition of housing for Indians and Eskimos and the sale of houses to Indians and Eskimos on such terms and conditions and at such prices as the Governor in Council may approve, including the sale to Eskimos at a price $1,000 less than cost for one-room and one-bedroom houses and $2,000 less than cost for larger houses; and authority, notwithstanding section 30 of the Financial Administration Act, to make commitments for the current fiscal year not to exceed a total amount of $26,195,600		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction of Roads and Bridges (8)	79,600	
		Construction or Acquisition of Buildings and Works. (8)	2,383,900	2,795,500

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		ADMINISTRATION (Continued)		
		Acquisition or Construction of Equipment.....(9)	503,100	559,000
			2,966,600	3,354,500
		Less—Anticipated lapses.....(13)	341,600	434,000
			2,625,000	2,920,500
		Expenditure		
		1965–66..... $.....		
		1966–67..... 2,457,000		
		1967–68 (estimated)..... 2,520,500		
		EDUCATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT, INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNT OF THE SHARE OF THE GOVERNMENT OF THE NORTHWEST TERRITORIES OF EXPENDITURES ON EDUCATION AND VOCATIONAL TRAINING AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works..(8)	4,904,800	5,618,000
		Acquisition or Construction of Equipment.....(9)	347,200	314,600
			5,252,000	5,932,600
		Less—Amount Recoverable from the Government of the Northwest Territories ($903,500) and anticipated lapses ($606,500).....(13)	1,510,000	2,045,000
			3,742,000	3,887,600
		Expenditure		
		1965–66..... $.....		
		1966–67..... 4,306,173		
		1967–68 (estimated)..... 3,887,600		
		REGIONAL DEVELOPMENT—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY FOR A PROGRAM OF CONSTRUCTION AND ACQUISITION OF HOUSING FOR INDIANS AND ESKIMOS AND THE SALE OF HOUSES TO INDIANS AND ESKIMOS ON SUCH TERMS AND CONDITIONS AND AT SUCH PRICES AS THE GOVERNOR IN COUNCIL MAY APPROVE AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works(8)	4,829,700	4,198,000
		Acquisition or Construction of Equipment.....(9)	577,100	532,000
			5,406,800	4,730,000

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		REGIONAL DEVELOPMENT (Continued)		
		Less—Anticipated lapses.....(13)	622,800	496,000
			4,784,000	4,234,000
		Expenditure		
		1965-66..... $.....		
		1966-67..... 2,648,000		
		1967-68 (estimated)..... 4,234,000		
		TERRITORIAL GOVERNMENTS—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING AUTHORITY TO MAKE RECOVERABLE ADVANCES IN RESPECT OF SERVICES PROVIDED AND WORK PERFORMED ON OTHER THAN FEDERAL PROPERTY, WHEN ONLY THE DEPARTMENT IS CAPABLE OF PERFORMING SUCH SERVICE OR WORK AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction or Acquisition of Buildings and Works..(8)	3,065,100	1,274,500
		Acquisition or Construction of Equipment.....(9)	247,900	124,200
			3,313,000	1,398,700
		Less—Anticipated lapses.....(13)	381,000	155,000
			2,932,000	1,243,700
		Expenditure		
		1965-66..... $.....		
		1966-67..... 1,086,000		
		1967-68 (estimated)..... 1,643,700		
		NORTHERN CO-ORDINATION AND RESEARCH—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Land, Buildings and Works.....(8)	7,500	
		Construction or Acquisition of Machinery, Equipment, and Furnishings.....(9)	15,500	10,000
			23,000	10,000
		Expenditure		
		1965-66..... $ 13,670		
		1966-67..... 10,863		
		1967-68 (estimated)..... 10,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 25 (Continued)		
		RESOURCE AND ECONOMIC DEVELOPMENT—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT AND AUTHORITY TO MAKE ADVANCES AND PAYMENTS TO THE GOVERNMENT OF THE NORTHWEST TERRITORIES FOR ACTIVITIES OR PORTIONS THEREOF TRANSFERRED TO THE ADMINISTRATION OF THAT GOVERNMENT DURING THE CURRENT FISCAL YEAR BY THE GOVERNMENT OF CANADA		
		Construction of Roads and Bridges.....(8)	8,682,200	12,094,000
		Construction or Acquisition of Buildings and Works.(8)	56,000	16,000
		Acquisition or Construction of Equipment.....(9)	196,000	11,000
			9,234,200	12,121,000
		Less—Anticipated lapses.....(13)	1,074,500	2,801,999
			8,159,700	9,319,001
		Expenditure		
		1965–66..... $.....		
		1966–67..... 8,018,286		
		1967–68 (estimated)..... 9,320,000		
		Total, Vote 25.....	**22,265,700**	**21,614,801**
		Expenditure		
		1965–66..... $.....		
		1966–67..... 18,526,322		
		1967–68 (estimated)..... 21,615,800		
		Statutory—Northern Mineral Development Assistance Grants.....(10)	**1,500,000**	**3,000,001**
		Expenditure		
		1965–66..... $.....		
		1966–67.....		
		1967–68 (estimated)..... 1,700,000		
		Vote 33—Payment to the Government of the Northwest Territories in accordance with an agreement between Canada and the Northwest Territories, the agreement to provide that the Government of the Northwest Territories will not impose, levy or collect individual income taxes, corporation income taxes, corporation taxes or succession duties, as defined in the agreement; the payment to the Government of the Northwest Territories under the agreement to be calculated on the following bases:		
		(a) A subsidy of eighty cents per head in respect of the population of the Northwest Territories as determined by the 1961 census;		
		(b) A grant in aid of the Government and Council of the Northwest Territories of $30,000; and		

Positions (man-years)		Details of Services	Amount	
1968-69	1967-68		1968-69	1967-68
			$	$
		NORTHERN PROGRAM (Continued)		
		Vote 33 (Continued)		
		(c) An operating grant in the amount of $5,104,660 which, when added to the payments under paragraphs (a) and (b), will equal the estimated operating deficit of the Government of the Northwest Territories in the current fiscal year;		
		together with payments in respect of amortization payments on outstanding loans for capital expenditures in the Northwest Territories, as provided in the agreement...(10)	**6,392,100**	**5,670,780**
		Vote 34—Payment to the Government of the Yukon Territory in accordance with an agreement to be entered into by the Minister of Finance with the approval of the Governor in Council on behalf of the Government of Canada, and the Commissioner of the Yukon Territory, on behalf of the Government of the Yukon Territory, such agreement to provide (on such terms and conditions as may be agreed upon) that the Government of the Yukon Territory will not impose, levy or collect the taxes specified in the agreement; the payment to the Government of the Yukon Territory to be calculated in accordance with such agreement; payments in respect of amortization payments on outstanding loans for capital expenditures in the Yukon Territory, as provided in the agreement, and to authorize interim payments to the Government of the Yukon Territory prior to the signing of the said agreement (the amount payable under the agreement to be reduced by the aggregate of all interim payments).....(10)	**5,576,300**	**4,100,000**
		CONSERVATION		
		Vote 35—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Administration, Operation and Maintenance including grants as detailed in the Estimates, payment to the National Battlefields Commission for the purposes and subject to the provisions of an act respecting the National Battlefields at Quebec and authority to make expenditures on the proposed new National Park in the area of Kejimkujik Lake in Nova Scotia		
		ADMINISTRATION—ADMINISTRATION, OPERATION AND MAINTENANCE OF CENTRAL SERVICES ASSOCIATED WITH THE NATIONAL AND HISTORIC PARKS BRANCH		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 2 ($18,500-$23,500)		
2	2	Senior Officer 1 ($16,500-$21,250)		

29111—3½

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		ADMINISTRATION (Continued)		
		Salaried Positions: (Continued)		
		Executive, Scientific and Professional: (Continued)		
1	1	($18,000-$21,000)		
2	2	($16,000-$18,000)		
5	5	($14,000-$16,000)		
9	10	($12,000-$14,000)		
36	26	($10,000-$12,000)		
5	16	($8,000-$10,000)		
		Administrative and Foreign Service:		
3	2	($16,000-$18,000)		
3		($14,000-$16,000)		
6		($12,000-$14,000)		
9	10	($10,000-$12,000)		
20	7	($8,000-$10,000)		
14	14	($6,000-$8,000)		
		Technical, Operational and Service:		
5	5	($12,000-$14,000)		
6	12	($10,000-$12,000)		
20	12	($8,000-$10,000)		
29	16	($6,000-$8,000)		
2	8	($4,000-$6,000)		
		Administrative Support:		
13	7	($6,000-$8,000)		
65	64	($4,000-$6,000)		
43	33	(Under $4,000)		
299	253			
(299)	(253)	Continuing Establishment	2,164,300	1,757,500
(34)	(34)	Casuals and Others	110,000	142,900
(333)	(287)	Salaries and Wages (1)	2,274,300	1,900,400
		Overtime (1)	10,500	10,000
		Unemployment Insurance Contributions (1)	2,900	400
		Travelling Expenses (2)	202,100	175,600
		Freight, Express and Cartage (2)	3,500	1,300
		Postage (2)	10,400	10,200
		Telephones and Telegrams (2)	45,100	29,500
		Publication of Departmental Reports and Other Material (3)	12,000	8,900
		Exhibits, Advertising, Broadcasting and Displays (3)	900	2,600
		Professional and Special Services (4)	24,800	10,400
		Rental of Equipment (5)	14,700	3,400
		Repairs and Upkeep of Equipment (6)	12,300	12,500
		Office Stationery, Supplies and Equipment (7)	90,200	33,000
		Materials and Supplies (7)	64,100	38,000
		Contribution to Canadian Society of Landscape Architects (10)	12,500	
		Sundries (12)	6,800	3,600
			2,787,100	2,239,800

	Expenditure	Revenue
1965–66	$ 528,217	$
1966–67	1,847,952	
1967–68 (estimated)	2,234,800	1,800

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		NATIONAL PARKS—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING AUTHORITY TO MAKE EXPENDITURES ON THE PROPOSED NEW NATIONAL PARK IN THE AREA OF KEJIMKUJIK LAKE IN NOVA SCOTIA		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	($14,000–$16,000)		
1	1	($12,000–$14,000)		
3	1	($10,000–$12,000)		
4	30	($8,000–$10,000)		
21	1	($6,000–$8,000)		
		Administrative and Foreign Service:		
2	2	($16,000–$18,000)		
	5	($14,000–$16,000)		
4	3	($12,000–$14,000)		
7	7	($10,000–$12,000)		
25	3	($8,000–$10,000)		
38	49	($6,000–$8,000)		
		Technical, Operational and Service:		
2		($12,000–$14,000)		
3	8	($10,000–$12,000)		
32	9	($8,000–$10,000)		
22	76	($6,000–$8,000)		
266	222	($4,000–$6,000)		
77	58	(Under $4,000)		
	1	(Part Time)		
61	81	(Seasonal)		
		Administrative Support:		
2		($6,000–$8,000)		
86	82	($4,000–$6,000)		
34	33	(Under $4,000)		
3	2	(Seasonal)		
		Prevailing Rate Positions:		
524	370	(Full Time)		
129	1	(Part Time)		
1,153	1,516	(Seasonal)		
2,500	2,562			
(1,593)	(1,601)	Continuing Establishment	7,579,500	7,216,400
(30)	(28)	Casuals and Others	143,700	143,100
(1,623)	(1,629)	Salaries and Wages (1)	7,723,200	7,359,500
		Overtime (1)	206,800	164,000
		Allowances (1)	46,900	46,400
		Unemployment Insurance Contributions (1)	40,600	42,900
		Travelling and Removal Expenses (2)	146,200	140,800
		Freight, Express and Cartage (2)	50,000	64,000
		Postage (2)	13,300	11,100
		Telephones and Telegrams (2)	79,200	67,700
		Publication of Departmental Reports and Other Material (3)	94,800	155,200
		Exhibits, Advertising, Broadcasting and Displays (3)	58,300	49,700
		Professional and Special Services (4)	591,800	623,200
		Rental of Land, Buildings and Works (5)	22,800	17,300
		Rental of Equipment (5)	188,400	161,500
		Repairs and Upkeep of Buildings and Works (6)	606,400	318,600
		Repairs and Upkeep of Roads, Bridges, Streets, Sidewalks and Trails (6)	331,800	570,200
		Repairs and Upkeep of Equipment (6)	696,900	736,400
		Office Stationery, Supplies and Equipment (7)	69,700	46,700
		Materials and Supplies (7)	1,039,900	991,400
		Municipal or Public Utility Services (7)	357,900	295,000

Positions (man-years) 1968–69	Positions (man-years) 1967–68	Details of Services	Amount 1968–69	Amount 1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		NATIONAL PARKS—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		Scholarships for the University Training of Students in Outdoor Recreation (10)	12,000	6,000
		Sundries (12)	42,400	33,500
			12,419,300	11,901,100
		(Further Details)		
		Ottawa—Headquarters	861,900	845,100
		Atlantic Region:		
		Regional Office	67,900	57,300
		Cape Breton Highlands Park	554,500	500,500
		Fundy Park	395,400	412,900
		Kejimkujik Lake area	186,900	170,600
		Prince Edward Island Park	358,200	331,100
		Terra-Nova Park	367,300	347,400
		Central Region:		
		Georgian Bay Islands Park	76,600	66,900
		Point Pelee Park	241,900	215,500
		St. Lawrence Islands Park	94,800	76,200
		Western Region:		
		Regional Office	197,900	182,900
		Banff Park	2,196,900	2,256,600
		Elk Island Park	405,600	389,600
		Jasper Park	1,504,200	1,426,200
		Kootenay Park	621,100	588,500
		Mount Revelstoke and Glacier Parks	899,300	783,600
		Prince Albert Park	673,000	707,200
		Riding Mountain Park	841,000	808,600
		Waterton Park	575,100	519,300
		Wood Buffalo Park	654,000	616,400
		Yoho Park	645,800	598,700
			12,419,300	11,901,100

	Expenditure	Revenue
1965–66	$ 10,502,973	$2,946,519
1966–67	10,836,770	3,290,868
1967–68 (estimated)	11,866,100	4,171,700

HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING AUTHORITY FOR PAYMENTS TO INDIVIDUALS OR GROUPS PURSUANT TO THE HISTORIC SITES AND MONUMENTS ACT FOR THE PRESERVATION AND COMMEMORATION OF HISTORIC SITES

		Salaried Positions:
		Executive, Scientific and Professional:
1		($12,000–$14,000)
5	2	($10,000–$12,000)
3	8	($8,000–$10,000)
		Administrative and Foreign Service:
2		($16,000–$18,000)
	3	($14,000–$16,000)
2		($12,000–$14,000)
5		($10,000–$12,000)
6	3	($8,000–$10,000)
24	22	($6,000–$8,000)
	3	($4,000–$6,000)

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		Salaried Positions: (Continued)		
		Technical, Operational and Service:		
1		($12,000–$14,000)		
4	6	($10,000–$12,000)		
16	13	($8,000–$10,000)		
23	18	($6,000–$8,000)		
28	27	($4,000–$6,000)		
2	8	(Under $4,000)		
	4	(Seasonal)		
		Administrative Support:		
18	18	($4,000–$6,000)		
10	5	(Under $4,000)		
		Prevailing Rate Positions:		
55	48	(Full Time)		
1		(Part Time)		
63	60	(Seasonal)		
269	248			
(227)	(213)	Continuing Establishment	1,355,900	1,018,400
(13)	(13)	Casuals and Others	45,300	67,500
(240)	(226)	Salaries and Wages (1)	1,401,200	1,085,900
		Overtime (1)	18,200	21,600
		Allowances (1)	12,300	9,500
		Unemployment Insurance Contributions (1)	5,700	5,100
		Travelling and Removal Expenses (2)	80,000	66,900
		Freight, Express and Cartage (2)	12,300	7,600
		Postage (2)	8,500	5,500
		Telephones and Telegrams (2)	28,000	22,900
		Publication of Departmental Reports and Other Material (3)	81,700	3,700
		Exhibits, Advertising, Broadcasting and Displays (3)	30,400	1,700
		Professional and Special Services (4)	492,300	451,700
		Rental of Land, Buildings and Works (5)	1,600	1,400
		Rental of Equipment (5)	23,000	9,100
		Repairs and Upkeep of Buildings and Works (6)	15,300	20,000
		Repairs and Upkeep of Roads, Bridges, Streets, Sidewalks and Trails (6)	131,400	134,400
		Repairs and Upkeep of Equipment (6)	44,100	22,000
		Office Stationery, Supplies and Equipment (7)	24,600	11,200
		Materials and Supplies (7)	145,400	82,700
		Municipal or Public Utility Services (7)	82,900	74,800
		Payments to Individuals or Groups in accordance with agreements entered into by the Minister pursuant to the Historic Sites and Monuments Act for the Preservation and Commemoration of Historic Sites (12)	162,500	259,100
		Sundries (12)	10,200	23,300
			2,811,600	2,320,100

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		HISTORIC SITES—ADMINISTRATION, OPERATION AND MAINTENANCE (Continued)		
		(Further Details)		
		Ottawa--Headquarters	850,100	624,300
		Atlantic Region (excluding Fortress of Louisbourg)	710,200	599,400
		Fortress of Louisbourg	568,900	582,200
		Central Region	317,800	195,000
		Western Region	364,600	319,200
			2,811,600	2,320,100
		Expenditure Revenue		
		1965–66 $ 1,120,600 $ 42,231		
		1966–67 2,066,859 43,450		
		1967–68 (estimated) 2,310,100 76,500		
		GRANT IN AID OF THE DEVELOPMENT OF THE INTERNATIONAL PEACE GARDEN IN MANITOBA (10)	15,000	15,000
		Expenditure		
		1965–66 $ 15,000		
		1966–67 15,000		
		1967–68 (estimated) 15,000		
		TO AUTHORIZE PAYMENTS TO THE NATIONAL BATTLEFIELDS COMMISSION FOR THE PURPOSES AND SUBJECT TO THE PROVISIONS OF AN ACT RESPECTING THE NATIONAL BATTLEFIELDS AT QUEBEC (CHAP. 57, STATUTES OF 1908, AS AMENDED) (12)	335,000	354,000
		Expenditure		
		1965–66 $ 275,000		
		1966–67 281,000		
		1967–68 (estimated) 354,000		
		GRANT TO JACK MINER MIGRATORY BIRD FOUNDATION. (10)	10,000	10,000
		Expenditure		
		1965–66 $ 10,000		
		1966–67 10,000		
		1967–68 (estimated) 10,000		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		CANADIAN WILDLIFE SERVICE—ADMINISTRATION, OPERATION AND MAINTENANCE INCLUDING RESEARCH, CONSERVATION AND DEVELOPMENT OF WILDLIFE RESOURCES, ADMINISTRATION OF THE MIGRATORY BIRDS CONVENTION ACT AND AUTHORITY FOR PAYMENT OF SCHOLARSHIPS FOR THE TRAINING OF BIOLOGISTS AND GRANTS AS DETAILED IN THE ESTIMATES		
		Salaried Positions:		
		Executive, Scientific and Professional:		
1	1	Senior Officer 1 ($16,500–$21,250)		
4	4	($16,000–$18,000)		
4	4	($14,000–$16,000)		
18	18	($12,000–$14,000)		
20	18	($10,000–$12,000)		
45	41	($8,000–$10,000)		
		Administrative and Foreign Service:		
1	1	($16,000–$18,000)		
1	1	($10,000–$12,000)		
6	5	($8,000–$10,000)		
2	2	($6,000–$8,000)		
		Technical, Operational and Service:		
3	2	($8,000–$10,000)		
19	18	($6,000–$8,000)		
17	13	($4,000–$6,000)		
2	2	(Seasonal)		
		Administrative Support:		
1	1	($6,000–$8,000)		
29	23	($4,000–$6,000)		
23	18	(Under $4,000)		
2	2	(Part Time)		
198	174			
(196)	(172)	Continuing Establishment	1,405,000	1,197,600
(23)	(23)	Casuals and Others	128,600	103,500
(219)	(195)	Salaries and Wages (1)	1,533,600	1,301,100
		Overtime (1)	18,900	23,800
		Allowances (1)	12,100	9,500
		Memberships in Scientific Associations (1)	500	600
		Unemployment Insurance Contributions (1)	700	300
		Travelling Expenses—Field Investigations (2)	95,200	95,200
		Other Travelling and Removal Expenses (2)	92,900	92,900
		Freight, Express and Cartage (2)	28,000	22,100
		Postage (2)	10,400	17,000
		Telephones and Telegrams (2)	27,000	17,500
		Publication of Departmental Reports and Other Material (3)	105,000	121,200
		Professional and Special Services (4)	623,800	408,200
		Films and Hunting Season Posters (4)	97,200	41,000
		Rental of Land, Buildings and Works (5)	564,800	366,000
		Rental of Equipment (5)	271,000	238,600
		Repairs and Upkeep of Buildings and Works (6)	18,800	10,200

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 35 (Continued)		
		CANADIAN WILDLIFE SERVICE (Continued)		
		(Further Details)		
		Repairs and Upkeep of Equipment....(6)	24,000	24,000
		Office Stationery and Supplies....(7)	64,600	44,600
		Materials and Supplies....(7)	162,100	108,700
		Municipal or Public Utility Services....(7)	15,900	14,000
		Scholarships for the university training of biologists(10)	32,000	19,400
		Grant to Canadian Audubon Society....(10)	20,000	
		Grant to Canadian Wildlife Federation....(10)	20,000	
		Sundries....(12)	500	4,100
			3,839,000	2,980,000
		Expenditure Revenue		
		1965–66.... $ 1,358,482 $ 4,681		
		1966–67.... 2,061,661 676,389		
		1967–68 (estimated).... 2,890,000 697,000		
		Total, Vote 35....	**22,217,000**	**19,820,000**
		Expenditure Revenue		
		1965–66.... $13,810,272 $2,993,431		
		1966–67.... 17,119,242 4,010,707		
		1967–68 (estimated).... 19,680,000 4,947,000		
		Vote 40—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Construction or Acquisition of Buildings, Works, Land and Equipment including expenditures on works on other than Federal property, authority to make expenditures on proposed new National Parks in the areas of Kejimkujik Lake in Nova Scotia and in New Brunswick and Newfoundland		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction of Buildings and Other Construction Projects....(8)	....	1,329,900
		Acquisition of Cars and Trucks....(9)	31,600	30,200
		Acquisition of Other Equipment....(9)	28,400	27,200
			60,000	1,387,300

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		ADMINISTRATION—CONSTRUCTION OR ACQUISITION (Continued)		
		(Further Details)		
		Ottawa—Headquarters	27,000	1,182,500
		Atlantic Region	6,000	129,300
		Central Region	2,000	15,000
		Western Region	25,000	60,500
			60,000	1,387,300
		Expenditure		
		1965–66 $		
		1966–67		
		1967–68 (estimated) 1,263,076		
		NATIONAL PARKS—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY AND AUTHORITY TO MAKE EXPENDITURES ON PROPOSED NEW NATIONAL PARKS IN THE AREAS OF KEJIMKUJIK LAKE IN NOVA SCOTIA AND IN NEW BRUNSWICK AND NEWFOUNDLAND		
		Construction of Trunk Highways including Bridges (8)	4,039,000	4,155,000
		Construction of Other Roads, Bridges and Trails (8)	1,638,100	1,395,900
		Construction of Buildings and Other Construction Projects (8)	6,668,900	6,886,500
		Acquisition of Cars and Trucks (9)	583,800	505,000
		Acquisition of Tractors and Heavy Road Machinery (9)	299,900	260,400
		Acquisition of Fire-Fighting Equipment (9)	44,200	38,300
		Acquisition of Other Equipment (9)	411,100	356,400
			13,685,000	13,597,500
		Less: Anticipated lapses (13)	.....	500,000
			13,685,000	13,097,500
		(Further Details)		
		Ottawa—Headquarters	562,500	169,100
		National Parks Trunk Highways	4,131,000	4,155,000
		Atlantic Region:		
		Regional Office	155,300	45,100
		Cape Breton Highlands Park	603,600	375,100
		Fundy Park	326,900	708,800
		Kejimkujik Lake area	1,133,200	968,800
		Prince Edward Island Park	310,500	247,900
		Terra Nova Park	242,500	404,400
		Newfoundland	140,000	
		New Brunswick	34,000	
		Central Region:		
		Regional Office	8,000	
		Georgian Bay Park	28,600	59,000
		Point Pelee Park	380,400	152,200
		St. Lawrence Islands Park	248,700	83,900

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		NATIONAL PARKS—CONSTRUCTION OR ACQUISITION (Continued)		
		(Further Details) (Continued)		
		Western Region:		
		Regional Office	58,200	51,400
		Banff Park	1,705,800	2,135,000
		Elk Island Park	88,500	163,800
		Jasper Park	1,476,000	1,358,800
		Kootenay Park	140,500	326,300
		Mount Revelstoke and Glacier Parks	527,500	792,300
		Prince Albert Park	410,400	441,500
		Riding Mountain Park	322,900	342,300
		Waterton Lakes Park	220,700	274,000
		Wood Buffalo Park	150,900	118,000
		Yoho Park	278,400	224,800
			13,685,000	13,597,500
		Less: Anticipated lapses	.....	500,000
			13,685,000	13,097,500
		Expenditure		
		1965–66 $ 11,959,612		
		1966–67 14,530,603		
		1967–68 (estimated) 12,687,596		
		HISTORIC SITES—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT INCLUDING EXPENDITURES ON WORKS ON OTHER THAN FEDERAL PROPERTY		
		Construction of Other Roads, Bridges and Trails (8)	196,100	170,000
		Construction of Buildings and Other Construction Projects (8)	4,038,900	3,852,800
		Acquisition of Cars and Trucks (9)	28,800	16,000
		Acquisition of Other Equipment (9)	80,200	44,600
			4,344,000	4,083,400
		(Further Details)		
		Ottawa—Headquarters	725,000	549,500
		Atlantic Region (excluding Fortress of Louisbourg)	935,000	790,600
		Fortress of Louisbourg	1,530,000	1,523,500
		Central Region	623,000	710,400
		Western Region	531,000	509,400
			4,344,000	4,083,400
		Expenditure		
		1965–66 $ 2,572,607		
		1966–67 3,451,145		
		1967–68 (estimated) 3,617,528		

Positions (man-years)		Details of Services	Amount	
1968–69	1967–68		1968–69	1967–68
			$	$
		CONSERVATION (Continued)		
		Vote 40 (Continued)		
		CANADIAN WILDLIFE SERVICE—CONSTRUCTION OR ACQUISITION OF BUILDINGS, WORKS, LAND AND EQUIPMENT		
		Construction or Acquisition of Buildings, Works and Land (8)	1,009,300	1,187,000
		Acquisition of Equipment (9)	132,600	180,900
			1,141,900	1,367,900
		Expenditure		
		1965–66 $ 392,623		
		1966–67 759,938		
		1967–68 (estimated) 1,067,900		
		Total, Vote 40	**19,230,900**	**19,936,100**
		Expenditure		
		1965–66 $ 14,924,842		
		1966–67 18,741,686		
		1967–68 (estimated) 18,636,100		

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS AND NORTHERN DEVELOPMENT				
	Indian Affairs				
L35	To provide that the total amount of outstanding advances at any one time with respect to loans to Indians under Section 69 of the Indian Act, notwithstanding subsection 5 thereof, shall not exceed $2,400,000; additional amount required	400,000	1	399,999	
L40	To increase to $2,000,000 the amount authorized for loans to Indians and Eskimos by Loans, Investments and Advances Votes L51a, Appropriation Act No. 9, 1966, L51g, Appropriation Act No. 2, 1967 and L51a, Appropriation Act No. 7, 1967, which Votes authorized loans and advances to Indians and Eskimos for the construction or acquisition of houses and land in areas other than Indian Reserves, including authority to forgive repayment thereof	999,999	1	999,998	
	Northern Program				
L45	To increase to $990,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 672, Appropriation Act No. 2, 1962, as amended, which Vote authorized the making of mortgage loans for low-cost housing to residents of the Territory; additional amount required	350,000	400,000	.....	50,000
L50	To authorize loans to the Government of the Yukon Territory, in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, for the development of a townsite at Anvil, Yukon Territory	500,000	.....	500,000	
L55	To increase to $150,000 the amount authorized for loans to the Government of the Yukon Territory by Loans, Investments and Advances Vote 762, Appropriation Act No. 2, 1961, which Vote authorized the making of second mortgage loans to residents of the Territory for the purchase or construction of houses in the Territory under the National Housing Act; additional amount required	50,000	.....	50,000	
L60	To increase to $7,780,064 the amount authorized for loans, in the current and subsequent fiscal years, to the Government of the Yukon Territory, by Votes L45, Appropriation Act No. 5, 1967 and L45c, Appropriation Act No. 1, 1968 which Votes authorized loans for capital expenditures on terms and conditions approved by the Governor in Council; additional amount required	2,780,063	5,000,000	.....	2,219,937
	Northern Canada Power Commission				
L65	Advances to the Northern Canada Power Commission for the purpose of capital expenditure in accordance with section 15 of the Northern Canada Power Commission Act	8,200,000	3,591,000	4,609,000	

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government
Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, NOVEMBER 5, 1968

The Northern Canada Power Commission
Revised Main Estimates (1968-69)

WITNESSES:

Representing the Northern Canada Power Commission: Mr. J. A. MacDonald, Chairman; Mr. E. W. Humphrys, General Manager and Chief Engineer.

LIBRARY
DEC - 5 1968
UNIVERSITY OF T

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29113—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson
Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Duquet,	O'Connell,
[1] Borrie,	Laprise,	Orlikow,
Buchanan,	Marchand (*Kamloops-Cariboo*),	[3] Peters,
Cullen,	McKinley,	Simpson,
Dinsdale,	Nielsen,	Smerchanski,
[2] Durante,		Southam,
		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Guay (*Lévis*) on October 23, 1968.
[2] Replaced Mr. Leblanc (*Laurier*) on October 24, 1968.
[3] Replaced Mr. Howard (*Skeena*) on October 23, 1968.

Corrigendum (English copy only)

Proceedings No. 1—TUESDAY, October 22, 1968.

In Appendix A

Insert after page 40 the following from the Revised Main Estimates for the fiscal year ending March 31, 1969:

No. of Vote	Service	1968–69	1967–68	Change	
				Increase	Decrease
		$	$	$	$
	INDIAN AFFAIRS AND NORTHERN DEVELOPMENT (Continued)				
	Northern Transportation Company Limited				
L70	Loans to Northern Transportation Company Limited in the current and subsequent fiscal years, in accordance with terms and conditions prescribed by the Governor in Council, to finance the acquisition of transportation facilities for use on the Mackenzie River and Central Arctic Coast	6,000,000	.....	6,000,000	
	General				
—	Appropriations not required for 1968–69	.....	6,048,105	.....	6,084,105
		19,280,062	15,075,107	4,204,955	

ORDERS OF REFERENCE

HOUSE OF COMMONS
THURSDAY, October 24, 1968.

Ordered,—That the name of Mr. Durante be substituted for that of Mr. Leblanc (*Laurier*) on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, October 23, 1968.

Ordered,—That the names of Messrs. Peters and Borrie be substituted for those of Messrs. Howard (*Skeena*) and Guay (*Lévis*) on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29113—1½

MINUTES OF PROCEEDINGS

TUESDAY, November 5, 1968.
(2)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:11 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs: Borrie, Buchanan, Cullen, Duquet, Durante, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Peters, Simpson, Southam, St-Pierre, Watson, Yewchuk—(15).

Also present: Messrs. Barrett, Howard (*Skeena*).

In attendance: From the Northern Canada Power Commission: Messrs. J. A. MacDonald, Chairman; E. W. Humphrys, General Manager and Chief Engineer; C. Prevey, Assistant General Manager—Administration and Finance; T. Stott, Treasurer; W. D. Mills, Secretary.

The Chairman announced the membership of the Subcommittee on Agenda and Procedure and it is as follows: the Chairman of the Committee, Mr. Watson, the Vice-Chairman, Mr. St-Pierre, and Messrs. O'Connell, Marchand, Simpson, Peters, Laprise.

On motion of Mr. Duquet, it was

Agreed,—That Appendix A of the English edition of the Proceedings of October 22, 1968 (No. 1) be corrected by inserting the top half of page 579 of the Revised Estimates for the fiscal year ending March 31, 1969, which relates to the Northern Transportation Company Ltd.

The Chairman informed the Committee that the Subcommittee on Agenda and Procedure had met on Tuesday, October 29, 1968 and he submitted the First Subcommittee report. It is as follows:

> Your Subcommittee recommends that the Committee call first those items in the Revised Main Estimates for 1968-69 referred to the Committee relating to the Northern Canada Power Commission and the Northern Transportation Company Ltd., and then proceed to the items relating to the Department of Indian Affairs and Northern Development and that during the consideration of the estimates the following procedure be adopted:
>
> (*a*) The first item (Departmental administration) be called, and that discussion and questions of a general nature be permitted, but questions that clearly relate to specific items be postponed until the appropriate item has been reached;
>
> (*b*) When the general discussion is completed, the first item be allowed to stand for further consideration and the Committee proceed to consider and approve the subsequent items;
>
> (*c*) Only members of the House of Commons, who have been officially designated to the Committee, may be permitted to carry on the initial questioning respecting each item, but, prior to the approval of each item by the Committee, other members of

the House of Commons also may have an opportunity to pose questions to the witnesses;

(*d*) When all of the items have been approved, except the first item, the Committee will return to further consideration of that item, at which time all unanswered questions may be dealt with and unfinished business completed;

(*e*) The first item of the estimates will then be approved, or otherwise dealt with, and the Committee will proceed to prepare its Report to the House.

It was moved by Mr. St-Pierre, that the First Report of the Subcommittee on Agenda and Procedure be concurred in and after debate, it was

Agreed,—That the First Report of the Subcommittee and Agenda and Procedure be concurred in.

The Chairman announced that on Thursday, November 7, 1968, the Committee would have before it the officials from the Northern Transportation Company Ltd.

The Chairman called item L-65 of the Revised Estimates for the fiscal year ending March 31, 1969 relating to the Northern Canada Power Commission after which he introduced the witnesses and called on Mr. MacDonald, the President of the Company, to make a statement.

Mr. MacDonald made a statement following which he and his officials were questioned by the members of the Committee.

Later, it was

Agreed,—That the officials of the Northern Canada Power Commission be recalled on Thursday, November 7, 1968 for a half hour so as to allow certain members to complete their questioning.

On motion of Mr. Simpson, it was

Agreed,—That the Committee adjourn until Thursday, November 7, 1968.

At 1:01 p.m. the questioning of the witnesses continuing the Chairman adjourned to Thursday, November 7, 1968.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

• 1012

Tuesday, November 5, 1968

The Chairman: Gentlemen, I see a quorum. I would like to give you the report of the Subcommittee on Agenda and Procedure. The members are the Chairman of the Committee, the Vice-Chairman of the Committee, Mr. St. Pierre, Mr. O'Connell, Mr. Simpson, Mr. Peters, who replaced Mr. Howard (Skeena) temporarily Mr. Laprise and Mr. Marchand (Kamloops-Cariboo).

I want to bring to the Committee's attention a correction that is necessary in the English version of issue No. 1. We omitted the estimates of the Northern Transportation Company Limited. I wonder if I could have a motion that appendix "A" of the English version of Proceedings No. 1 of October 22, 1968, be corrected by inserting the top half of page 579 of the Revised Estimates for the Fiscal Year Ending March 31st, 1969, which is as follows—we will simply insert it. Could I have a motion to that effect. Mr. Duquet moves that the correction be made. It is agreed? Agreed.

I would like to read to you the first report of the Subcommittee on Agenda and Procedure.

(See Minutes of Proceedings for Text of the Report)

Could I have a motion of concurrence in this report?

Mr. Nielsen: Are you going to call for a discussion on the report at some later time? Especially on the motions?

The Chairman: If anyone would like to discuss this now—

Mr. Nielsen: I was wondering, in view of the recommendation that the discussion be restricted to the specific item rather than having a general discussion on Item 1, whether this is in keeping with the rules and practice which has heretofore been in force. I have not checked it myself, but it would appear at first blush that the steering committee may be asking this Committee to approve something which is *ulta vires* since it has been our practice and it would seem to be unduly restrictive.

The Chairman: Mr. Nielsen, we discussed this in the Committee and the Minister will be making a statement next Tuesday. I presume at that time the objection which you are raising now will be overcome because we will be on Item 1 then. We felt that we could get rid of the Northern Canada Power Commission and the Northern Transportation Company Limited this week. They are two separate items and we just felt we could deal with them initially. Then we will proceed to the general departmental estimates. It was just a matter of procedure and we are not trying to avoid dealing with Item 1 by this procedure. It was simply a matter of getting rid of these two items first and proceeding to the Department itself afterwards.

Mr. Nielsen: I can see this. It is very practical and very reasonable as long as when we come to a discussion of the general estimates we will not be in any way restricted on Item 1. I may have misunderstood the report, but if the practice of the past, an unrestricted discussion on Item 1, is permissible, then I am happy.

The Chairman: Yes. I think your objection is covered here. I will just read you the first three lines of paragraph (a).

The first item, Departmental Administration be called and that discussion and questions of a general nature be permitted.

That I think covers your objection.

Mr. Nielsen: Thank you, Mr. Chairman.

The Chairman: Shall the motion carry?

Some hon. Members: Carried.

The Chairman: The business for Thursday of this week will be consideration of the estimates of the Northern Transportation Company Limited. The following Tuesday, the Hon. Jean Chrétien will be before the Committee. I will now call item L65, Northern Canada

Power Commission. The entry is to be found on page 40 of Issue No. 1.

The Committee has received a copy of the annual report of the Commission and the witnesses are Mr. J. A. MacDonald, Chairman of the Northern Canada Power Commission; Mr. E. W. Humphrys, General Manager and Chief Engineer. I think everyone knows Mr. MacDonald, but I would like to introduce Mr. Humphrys to the Committee. Mr. C. Prevey, Assistant General Manager; Mr. T. Stott, Treasurer, and Mr. W. D. Mills, Secretary.

• 1120

I will now call upon Mr. MacDonald to give us an initial explanation of the functions and work of the Northern Canada Power Commission.

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission and Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Chairman, members of the Committee, if it would be helpful to the Committee I would like to give some background.

The Northern Canada Power Commission was established by the Northern Canada Power Commission Act in 1948 and is empowered to construct and operate public utility plants in the Northwest Territories, the Yukon Territory, and, with the approval of the Governor-in-Council, elsewhere in Canada. As it is a requirement of the Act that the Commission's projects shall be self-sustaining, the rates charged for utilities supplied must provide sufficient revenue to cover interest on investment, repayment of principal over a period of years, operating and maintenance expense, and a contingency reserve. The Commission is thus a Federal Government Agency concerned with the construction and management of public utilities on a commercial basis. As of March 31, of this year the Commission was operating five hydro generating stations, ten independent diesel-electric plants, and three thermal stations, forming part of the "Utility" plants which supply power, central heat, water and sewerage services. On September 30 of this year the Commission's staff totalled 306 employees. Of this number 58 were located in Ottawa, 3 at the Regional Purchasing Office in Edmonton, Alberta and the remaining 245 employees at various plants throughout Canada. Now, by way of further background the operating plants are located at Yellowknife, Mayo, Whitehorse, Taltson River, Fort Smith, Fort Simpson, Inuvik, Frobisher Bay, Fort Resolution, Fort McPherson, Aklavik, Dawson, Cambridge Bay, Coppermine, Moose Factory, and Field, B.C.

The Commission is a very significant factor in the economic development of the Canadian North dealing as it does with the supply of energy. The development of the extractive industries, the mining industry particularly, is predicated very largely on the availability of a dependable power supply. In the conditions that apply in the North both climatic and economic problems of supplying this power are quite different than they are in other areas of the country. The responsibility for serving the need in both the Territories where the value of mineral production is expected to double by 1972 from the present figure of $140 million per annum has been assigned to the Northern Canada Power Commission.

The main responsibilities of the Commission can be summarized as follows: the construction or acquisition of power plants and transmission facilities in the Northwest Territories and the Yukon to supply electric power for commercial and industrial enterprises at cost in connection with their northern development programs; the construction or acquisition of power plants and distribution systems at settlements in the Northwest Territories and the Yukon Territory, and under special circumstances elsewhere in Canada wherever the load is sufficient to support a central generating plant operated to utility standards; the construction or acquisition of other public utilities such as water, heat and sewerage facilities in the Northwest Territories and the Yukon as required and to operate them at cost for residents there. The provision of additions, extensions and improvements, including the acquisition of equipment to ensure the continuing efficient operation of existing installations is, of course, another objective.

• 1125

Inherent in these functions is, of course, the responsibility of setting the lowest possible rate structure for the utilities supplied consistent with the need to operate on a self-sustaining basis, which is the statutory requirement. In keeping with the objectives of actively participating in the economic development of the North, the Commission is establishing a Planning and Development Group which will keep in touch with the rapid changes in the North, and prepare long-

range plans to ensure that electric power and other utilities are developed to meet the needs of the North at each stage of its expansion and development.

In this connection the Commission is confronted by a complex and formidable problem. It must pre-plan, construct and provide power and other utilities as soon as they are required. At the same time it must avoid construction of expensive power plants and transmission lines for commercial ventures which may be short-lived or never get into active production on a continuing basis. Mining in the North creates a particular problem in this respect as some mines remain operational for a short period of time.

Under the present terms of the Northern Canada Power Commission Act, the Commission may obtain loans approved in estimates by Parliament and authorized for individual projects by Order in Council. Interest is charged on these loans at the current rate in effect at the time the loan is negotiated plus repayment of the loan in full amortized over a period of time consistent with the life of the asset—normal utility practice. Operating costs must be paid entirely out of revenue received from the sale of power to the Commission's customers.

The requirement in the Act that each facility be self-supporting means that a loss in the operations at unit cannot be absorbed by a surplus from operations at another. In effect the Commission is running 17 separate power companies, each one of which must be self-supporting. Surpluses can be used to provide additional capital facilities for plants or, alternatively, to reduce power rates.

From an economic standpoint one of the Commission's greatest problems is the fact that because of a sparse population and power demands, several of the Commission's installations are small installations with relatively high overhead costs. Five of the installations, namely those at Whitehorse, Mayo, Taltson River and two at Yellowknife, are hydro projects providing relatively low-cost power. The remainder of the installations are deisel either because there is no natural source for hydro power, or the installation is too small to warrant a hydro development. Power rates in communities where there are large diesel installations are relatively low; however, where only a small diesel operation is warranted rates are relatively high.

I might just touch on a few other points; for example, the employment of Indian and Eskimos, which is a concern to our Commission and to our Department and to this Committee. The Commission adheres to Federal Government policy of aiming at 75 per cent indigenous staff by 1977. In an industry demanding sophisticated, technical know-how, the Commission has already made considerable progress in this direction. The number of permanent staff is 213, and about 83 are indigenous to the region. Applicants for jobs are not required to identify themselves as being Indian, Eskomo or white so that the figures I am going to give you are, therefore, approximate, but the following breakdown gives some idea of who are indigenous to the North: Indians, 27; Metis, 24; Eskimos, 16; northern residents—that is, people born in the north—16, for the total of 83.

There are also 78 employees resident in the North who are hired on a casual basis. In promising individual cases, Eskimos and Indians are trained in such occupations as electricians and linemen, under programs administered by the Department. Academic education given the native peoples allows the Commission to hire and promote an increasing number in its expanding operations. The Commission finds incompatibility between the desire of the Indians and Eskimos to retain their native cultures and their joining the expanding economy in the North. The management instructs its supervisors to understand that many indigenous Northern Canadians have a heritage that leads them to hunt and fish during certain times of the year; measures have been taken to provide for absenses in these cases and the effect on maintaining normal operations has been negligible.

The Commission hopes eventually to hire Indian and Eskimo electrical and civil engineers as educational facilities in the North are improved and as they stream through the system. I think I should add one final point which is a little bit beyond the purview of the Commission but touches it, and that is a social problem the relatively high cost of power does produce in some areas of the north. We have a contradiction here in the fact that we are bringing the amenities of the modern age to native people but at a cost which sometimes is prohibitive or nearly prohibitive, and there is no flexibility or leeway within the present framework of the statute to cope with this. Clearly, the only thing that would would be a subsidy. This would be a matter of government policy and is, obviously, again a matter of considerable ramification. I thought I should just touch on that.

• 1130

That, Mr. Chairman, is a very brief background of the physical aspects of the Commission and some of its operations.

The Chairman: Thank you very much, Mr. MacDonald. Do we have questions? Mr. St. Pierre?

Mr. St. Pierre: In the last year of operation, Mr. MacDonald, has the Yukon Territorial Council or the Northwestern Council asked for power developments which have been refused?

Mr. MacDonald: No, sir.

Mr. St. Pierre: In the matter of diesel operation, I was surprised when I was last in Yellowknife to find that I could buy gas cheaper there than I could in some areas in my own riding in southern British Columbia. Are your diesel fuel costs low and, if so, how do your diesel operations compare with operations of comparable size in, say, British Columbia, where we still have some diesel operation?

Mr. MacDonald: I will ask our General Manager to answer that.

Mr. E. W. Humphrys (General Manager and Chief Engineer, Northern Canada Power Commission): The cost of fuel in the Northwest Territories, particularly, is no less compared, say, with the Yukon because we are supplied in oil from Norman Wells; but even there it varies all the way from about 15 cents or less than 15 cents a gallon in Norman Wells to about 20 cents or 25 cents in more remote places and up to 50 cents a gallon in places like Coppermine and Cambridge Bay, even 60 cents a gallon. The amount and actual cost of fuel for generation of power will be relatively the same in our operation as they are in British Columbia, but the cost per kilowatt hour of fuel will be higher on the average in the Northwest Territories than it is in British Columbia. But you do have to be specific about the particular locality because there is such a variation in fuel costs.

Mr. St. Pierre: Generally speaking, your costs of operation are higher?

Mr. Humphrys: No, no.

Mr. St. Pierre: Not so much for reasons of fuel, but for the associated reasons?

Mr. Humphrys: For associated reasons. Wages are higher. One of the main reasons that the cost of power is higher is that the amount of power being produced is comparatively small, so the overhead factors are high. The operating staff and the maintenance requirements and so on, to run a plant of, say, 200 kilowatts output, are vitually the same as for a plant of 1,000 kilowatts. Consequently, the unit cost is unavoidably high in these small operations.

Mr. St. Pierre: Thank you, Mr. Chairman.

The Chairman: Mr. Simpson?

Mr. Simpson: I would like to get a bit of a rundown of comparative rates charged, say, to individual consumers and domestic users.

Mr. Humphrys: In Fort Resolution, Northwest Territories, the minimum charge is $2 a month, which includes 10 kilowatt hours. The first 75 kilowatt hours are 15 cents, and these are net rates after a discount for prompt payment. At Aklavik the charge is $2 with a straight charge of 12 cents per kilowatt hour; at Dawson the rate is $2 minimum with 12 cents for the first 100, 10 cents for the next 200, 6 cents for all over 300 kilowatt hours. These are domestic rates I am quoting. Fort Smith's minimum charge is $2 including 10 kilowatt hours, the first 75 kilowatt hours are six cents, the next 200 three cents, the next 500 two cents, and all over 750, three cents. At Mayo in the Yukon we have a minimum charge of $1.20, the first 50 kilowatt hours at 7 cents, the next 100 at 4 cents, and the next 100 at 3 cents. At Fort Simpson the first 10 kilowatt hours is a minimum of $2, the next 75 hours at 8 cents, and all over that is 5 cents. In Inuvik the first 10 kilowatt hours is $2, the next 75 is 6 cents, and all over that is 4½ cents. Frobishers Bay's minimum is $2 with a straight rate of 7 cents for all consumption. At Field, B.C., it is 9 cents per kilowatt hour for the first 100 kilowatt hours, and 4 cents for all in excess of that. These are representative of the rates.

• 1135

Mr. Nielsen: You might as well put the Whitehorse figure on the record, too.

Mr. Humphrys: We do not have the Whitehorse rate because we do not supply power in Whitehorse at the retail rate.

Mr. Nielsen: What is it sold to the supplier for?

Mr. Humphrys: It is sold to the supplier at 1¼ cents, and roughly it varies between 1.6 and 5 cents per kilowatt hour on the retail level.

Mr. Simpson: As a point of interest, could I have a little information on the operation at Field, B.C.? What is that in conjunction with?

Mr. MacDonald: That is one of the areas which you noted the reference to—operations in the Northwest Territories and the Yukon and other areas in Canada authorized by the Governor in Council. There are a number of in-house situations, Moose Factory and Field being two cases where it is a National Park the CPR were withdrawing from it, and our needs were increasing, and the Northern Canada Power Commission were asked to undertake the task of looking after the power; and likewise at Moose Factory where Ontario Hydro were not interested in going in but we had extensive requirements on the part of the Department of National Health and Welfare, our own requirements, and so on.

Mr. Simpson: I note the rates are quite high in Field, B.C. Is there any specific reason for that? Is there a small amount of power used?

Mr. Humphrys: It is entirely due to the small amount of power, the comparatively small requirement, and it is an independent diesel plant operation. The fuel cost is around something over 20 cents a gallon, but it is chiefly a function of the small size of the operation.

The Chairman: Do you have any further questions now, Mr. Simpson?

Mr. Simpson: I have some other questions but possibly I can ask them later on.

The Chairman: Mr. O'Connell is next on my list.

Mr. O'Connell: The first point I would like to raise is the logic of the statutory requirement that each plant be self-sustaining in the system. I would appreciate if we could have some comment on that. It seems to me there might be more flexibility in rate structures and a greater possibility of the Power Commission being of a more developed type to bring power to some users, particularly those called indigenous, if the system itself were self-sustaining, but not necessarily each unit.

I would appreciate if in the comments on that question we could have some indication of what proportion of what seems like a quarter of a million kilowatts per annum goes to industrial users such as mines or oil companies, what proportion goes to government units—the federal government through its various departments or other governmental units—and what proportion goes to the retail, excluding those other two categories?

Mr. MacDonald: Mr. Chairman, I shall deal with the first part of the question and ask Mr. Humphrys to see if he has the figures on the latter part.

I think, as a Commission, we would agree that the present statute is too tightly drawn. It does, I think, act as an inhibiting factor in several ways: one, in any hope of acting as a rate equalizing factor; and two, in anticipating expansions in the future. These, of course, as you will appreciate, would be matters of government policy as to whether the statute should be changed.

When it was drawn up, I believe it was drawn somewhat cautiously because it represented a fairly novel intervention on the part of the federal government in this field. I surmise that the tendency was to make sure that it was run on a sound commercial basis, and a little bit of undue emphasis was placed upon the self-sufficiency of each plant.

Within the Commission and within the Department we have views on these matters, and I believe the Minister will be giving consideration to proposing amendments to the statute.

• 1140

Mr. O'Connell: That would be section 10. I am interested in whether this Committee would be in a position to make a recommendation with respect to that. It seems to me it is a very inhibiting statutory requirement.

Mr. MacDonald: There is no reason in the world. I do not wish to appear to lead the questioner. It just happens that we have been thinking about this for a long time. I think we agree that it is a restricting factor from several points of view.

Mr. O'Connell: Well, Mr. Chairman, at a later time in the discussions I would be prepared to move something to the effect that the Commission be on a self-sustaining basis, but not necessarily each plant within it.

The Chairman: Mr. O'Connell, I think this is something we should perhaps discuss in one of our steering committee meetings and later come back to the Committee with some recommendations on how we should proceed, if we are going to make any recommendations.

Mr. O'Connell: I am agreeable.

Mr. MacDonald: Perhaps I should add that there are areas of power generation in the North where, because of their scattered nature and their small size, even pooling the whole thing would not really contribute to the social problem, which I touched on in my remarks and which I think was in your mind as well. I think the Commission as a commercial enterprise will have to be self-sustaining, but probably something else will be required on top of that.

Mr. O'Connell: Yes. I would like to come to that question at some time.

Mr. MacDonald: I think that would be something done not by the Commission but by appropriations.

Mr. O'Connell: Yes, I agree. Could we have some comment on the industrial and other users, Mr. Chairman, the proportions of power that—

Mr. MacDonald: Mr. Humphrys, would you answer that?

Mr. Humphrys: Yes. I do not have a breakdown between federal government consumption and that of the general public, but of 250 million kilowatt hours per annum, about 160 million kilowatt hours go into industrial use which is mining activities. The balance is under the heading of commercial and domestic, and while we can break these figures down into proportions of federal government consumption versus general public consumption, unfortunately. I have not got that breakdown with me. However, the federal government requirement is quite predominant in the non-industrial use and it is by far the largest consumer, I would say.

Mr. O'Connell: I would very much appreciate having those figures.

Mr. Humphrys: We will get them for you.

The Chairman: You will undertake to supply them this week?

Mr. Humphrys: Yes.

Mr. O'Connell: Could I pursue this line a little further? Does the Commission have a monopoly virtually in the production of power in the Yukon and in the Northwest Territories, and if not, could you give us an idea of what amount of private power is produced, whether it is industrial power, and so forth?

Mr. Humphrys: The Commission has no monopoly and there are other producers in the Yukon. The Yukon Electric Company generate some power that is sold in Whitehorse but they buy the bulk of their power from us. The ratio is something in the order of 1,000 kilowatts that they produce and we supply them with something in the order of 7,000 or 8,000 kilowatts right now. That is the only one in the Yukon.

• 1150

Of course, in outlying parts of the Yukon, the Yukon Electric lhave a number of small generating stations, independent units, that are operated in the same fashion as a number of our independent ones. Also in the Yukon there is one mine I can think of, the Clinton Creek asbestos mine, that supplies its own power, which is something in the order of 3,000 kilowatts. There are one or two other mines in the Yukon that are supplying their own needs.

In the Northwest Territories we are the predominant supplier, although the Consolidated Mining and Smelting Company near Yellowknife operate a hydro plant and supply virtually all the power required for their mine at Yellowknife. They do buy some power from us for electric heating, as off-peak power, and occasionally some firm power. Also the Consolidated Discovery Mine buys power from us now. There have been Hogan Mines in the Northwest Territories that had their own generation station.

There is one other private supplier in the Northwest Territories, the Northland Utilities which supply the town of Hay River and one or two other mining communities; Providence and Enterprise, I think it is.

Then there are a number of smaller generating stations throughout the Northwest Territories operated by the Department of Indian Affairs and Northern Development or the Department of Transport in the more remote localities where there is no sensible commercial requirement. In some instances we have moved into these and taken them over. Whenever a commercial requirement for power

develops it is generally advisable to put in on a commercial basis, which we can do more readily than the departments.

Mr. O'Connell: Would you hazard a guess at the percentage of power developed in the two Territories through your Commission?

Mr. Humphrys: Oh, I would guess about 80 per cent.

Mr. O'Connell: Thank you.

The Chairman: Next on my list is Mr. Buchanan.

Mr. Buchanan: Mr. Chairman, a good deal of the area which interested me has already been explored by Mr. O'Connell. There is this substantial variation in rates from centre to centre, depending on whether you take in the reductions quantity, from two to three times, which would obviously seem to greatly favour certain areas. Of course, this lead into this question: is it rational or is it reasonable? Are you aware of any specific instance where this higher rate has been a drag on the development of any particular industry or other type of development in certain areas because of the substantially higher power prices which it had to pay?

Mr. MacDonald: I am not aware of any particular instance, although there is no doubt that the supply of power is a critical factor in the development of an industry. Fortunately, I think—the General Manager can supplement or correct me on this—most of the developments have taken place in areas where we have been able to supply power at rates which were economical from their point of view, and the critical factors were markets, transportation and so on. Power is one factor but not the only factor in the equation.

Mr. Humphrys: The mere existence of a demand for power is a big factor in ensuring that the cost is not very high. Consequently, in all the places where our rates are low there is an industrial demand, such as in mining. This has in effect supported a lower cost operation, either a hydro plant or — Well, in all instances it has been hydro, actually, but even if we did get into a situation where power had to be supplied by diesel, the larger demand would result in a much more rational or reasonable rate structure than is possible where the demand is only a few hundred kilowatts.

Mr. Buchanan: My concern, like Mr. O'Connell's, is which comes first, the chicken or the egg—that sort of thing.

The other matter, and you did refer to this, Mr. MacDonald, pertains to the employment of the indigenous population. I do not know if it was in your report or one of the others but particular reference was made to the fact that it had been found that the Eskimos had a strong aptitude for mechanical work and were particularly talented in this area. Would your experience bear that out?

Mr. MacDonald: Oh, yes. I think this has been the experience of everyone in the North, whether it be mechanical or any other kind of aptitude. There are no differences at all; it is just a question of opportunity for training, whether it be skills training or more advanced training through university.

Mr. Buchanan: Do you have any special programs for developing this?

Mr. MacDonald: We have in the Department very extensive training programs for both the Eskimo and the Indian people.

Mr. Buchanan: Is this on-site or is the training actually done outside of the North?

Mr. MacDonald: Some of the training is done in the Territories; some of it is done outside; some of it has been done through arrangements with the provinces; that is skills training.

Mr. Buchanan: How extensive, Mr. MacDonald is this?

• 1150

The Chairman: Mr. Buchanan, as we will have a chance to go into this in detail after the Minister has made his statement, and I think we will be getting into the education section of the Department of Indian Affairs, I wonder if we could restrict the questioning here to the training available within the Northern Canada Power Commission.

Mr. Buchanan: That is really what I was directing my question towards.

Mr. MacDonald: The Commission takes advantage of the Department's training facilities. Mr. Humphrys, would you like to elaborate on that?

Mr. Humphrys: Where we can take on local people, particularly Eskimos—Frobisher Bay is a good example—and when we have chaps

that show aptitude and an interest in their work, they are brought along by what they call an "at work training program". They learn the steps and the processes and, if they still show an interest, they are candidates for training through the departmental facilities. We then recommend them to the departmental educational people and, in turn, arrangements are made for them to take a formal training course. However, the bulk of our training is actually on-job training.

The Chairman: Do you have any further questions, Mr. Buchanan?

Mr. Buchanan: That is fine, thank you.

The Chairman: Mr. Cullen?

Mr. Cullen: First, Mr. Chairman, having spent approximately a year in the Northwest Territories, one thing that has impressed me is its size and vastness. You are rhyming off a lot of these names and having lived in that area, although I have heard of some of these places, I am not familiar with their locations. I was wondering whether we could have a map at subsequent meetings for pointing out these areas?

Another thing—I am not sure that I am right in my facts—is that it strikes me that you seem to be concentrating the development in the northwest part of the Northwest Territories. Is there much development in the Eastern part of the Northwest Territories?

Mr. MacDonald: This takes us a little outside of the ambit of the Commission itself which responds to development, but your observation is correct, of course. The developments so far have been in the Western Arctic, and that includes the Yukon and the western portion of the Northwest Territories. However, we are actively pursuing certain other interesting possibilities; there is a very fascinating iron ore development on Baffin Island, Mary River, which is very high grade—68 per cent.

Our problems there are two-fold, the question of the shipping season which is two to three months and we are working on things like alexbon and we are working in connection with Panarctic and other places. There are other ideas to extend that season but, more important, the present state of the world market for the ore has an important effect on the economic viability. A very important balancer in this development is that it also happens to be fortuitously near a very large settlement of Eskimo people for whom this would be a great avenue of alternative employment if and as the traditional way of life either loses appeal for them or is lost to them for other reasons.

Mr. Cullen: It strikes me that mining seems to be the hope for northern development. I am thinking of a situation some years ago where International Nickel—and I mention the East because I am a little more familiar with that area—took in its own equipment and developed its own power.

Now, this was about 18 years ago, and subsequently Thompson, Manitoba grew out of this particular involvement although it started in the Northwest Territories. Now, would a company like INCO, which was in that area strictly for development and in the final analysis did not discover anything that was economic to develop, receive assistance from the Commission? For example, if they did the whole work themselves, brought in their equipment, develped the power and subsequently had to abandon it after a couple of years, would they receive any assistance from the Commission?

Mr. MacDonald: No, they would not receive any assistance from the Commission; this is not the role of the Commission. They would receive assistance in one of several ways from the Department under the various extension programs for exploration roads and the various other incentives that we have, such as air strips and that kind of thing. Furthermore, if we felt the project was economic, then the Commission would provide for the power because it would follow that the Commission could provide it at viable rates.

• 1155

So I do not think there would be any problem of assistance in the sense of having to give something, but we would support it as we do many other ventures that are either in the exploratory or the early development stage.

Mr. Cullen: I have one more question in response. I am thinking of the area at Baker Lake which is a fairly good sized development as far as the North is concerned. Would you respond to an area that might be a sort of base, you might say, for Eskimos and for development companies? That seems to be the area where they come in through Hudson Bay with their ships and unload at Baker and get out again. Would you respond to an area like that which in itself does not provide any-

thing in the economic sense but is a basic operation?

Mr. MacDonald: I can only put it the other way around. We are doing it, for example, at Frobisher Bay right now where really there is no economic development per se but which is an important administrative centre, a jump-off spot for possible development north in Baffin Island and other areas, and we are trying to develop it. The Department and the federal government, through the territorial governments, do have a general responsibility for the development of both the social and the economic sides, so the answer has to be, yes.

Mr. Cullen: Thank you, Mr. Chairman.

The Chairman: Mr. Borrie?

Mr. Borrie: Mr. Chairman, going back to rates again, thinking of this in terms of additional facilities, on the commercial and industrial rates is there a kilowatt demand level set to restrict the user?

Mr. Humphrys: There is no limit set, no.

Mr. Borrie: There is not?

Mr. Humphrys: No. Do you mean a higher rate as the consumption goes up to discourage consumption?

Mr. Borrie: Yes, by kilowatt demand, so that any industry that wished to expand its operations from the original amount of power required would be restricted by kilowatt demand.

Mr. Humphrys: In some contracts we undertake to supply power to a mining company and the amount they want is negotiated at the time. If they have an increasing demand they come back for us to consider what has to be done to meet this and, if it appears to be practical on a commercial basis, we take steps to provide it.

There are limitations at the outset when a company comes along and asks for 5000 or 6000 kilowatts because we have to know how much to develop. We would put in a plant and reserve so much for them. This is a matter of negotiation at the time, but in principle we do not try to restrict the use of power.

Mr. Borrie: Do you have special contracts for industrial or commercial users which would be considered, as other utilities, as being unpublished contract rate?

Mr. Humphrys: No; all the contracts for supply to mining companies are subject to negotiation depending on the circumstances. There is no fixed rate. A mining rate will be so many cents a kilowatt hour depending upon the demand, the location, what the source will be, what the term is likely to be and whether it is hydro supply, and so forth.

The Chairman: Mr. Yewchuk?

Mr. Yewchuk: Mr. Chairman, I did not get this in the mail so I am not sure whether my question would be answered by my reading it, but I will ask it anyway. What standards are used to determine whether you set up a plant in any given area?

Mr. MacDonald: Of course, the existence of a demand will determine what size of plant is required. Taking the extreme end of the scale, the Department has gone into the most remote communities and put in small generating units which are not economical in any sense of the word, and then you scale from there up. Ted, do you have any others?

Mr. Humphrys: Yes, we have. So far as the actual demand for industrial use is concerned it certainly has been a matter of a mining company having a very significant demand and looking around to find how they get a source of power. When it comes to these small operations, for many years we used a rule of thumb. There was no value in getting involved in anything less than 100 kilowatts demand. This has been our rule of thumb. I would not say that it is religiously adhered to; in modern times we are inclined to think more along the lines of 200 kilowatts because otherwise you cannot operate it economically as a commercial venture.

• 1200

Mr. Yewchuk: What does that translate into population?

Mr. Humphrys: It depends very much in these northern communities not so much on population but what their facilities are; whether there is a large school, a hospital, or a nursing station. For instance, in some communities there may be only 300 people but there happens to be a residential school and this creates a demand that is not present in another community, that might have 500 people and a much smaller demand, but I would say on the average something over 250 people as a round figure.

Mr. Yewchuk: Are these power facilities usually limited to a settled area, just the nucleus of it, or do you extend out?

Mr. Humphrys: Just in the general developed area. It does not really extend very far. These communities are so far apart geographically that it is not economically practical to extent a transmission line from one to another such as you have on the Prairies.

Mr. Yewchuk: Many of the areas that I am familiar with have a settled area with a radius of about 10 or 15 miles with a sort of village in the centre of it. Do these usually cover...

Mr. Humphrys: Not that far.

Mr. MacDonald: This pattern of settlement does not prevail in the north. As you will appreciate you do not have an agricultural pattern, you have...

Mr. Yewchuk: No, I do not necessarily mean agricultural, Mr. MacDonald. They just live by themselves off a way in the bush.

Mr. MacDonald: No, we do not.

Mr. St. Pierre: I have a supplementary on that, Mr. Chairman. What about a community such as Holman Island; are you involved there?

Mr. Humphrys: No, this is supplied by a local branch operated by the Department.

Mr. St. Pierre: In the case of the Holman Island people, would they be getting power free, then, or does the Department make charges?

Mr. Humphrys: As I understand it, in the case of private individuals if the Department cannot supply them they have a straight rate of 12 cents a kilowatt hour.

The Chairman: Mr. Humphrys, I have a supplementary question too. Have you finished, Mr. St. Pierre?

Do I understand correctly from what you have just said that you do not supply power to communities where the population is less than 200 or 250 because it is not economic to put in a unit?

Mr. Humphrys: Well, there is not a sufficient demand in these places to warrant operating on a commercial basis, and it has generally been a subsidized operation. For all these small northern communities one government department or another has had a plant to meet their own requirements, and we have not gone into it unless there was an indicated commercial need.

Mr. MacDonald: Bear in mind that the statute requires each of these projects to be self-sustaining.

Mr. Yewchuk: I should like to know what extent of subsidy is required for an area of 100 or 200 population; what would it be in dollars and cents?

Mr. Humphrys: The cost in these small communities can run to 20 or 25 cents a kilowatt hour. Now, it depends to what extent you want to subsidize it. As I said just a moment ago, the standard rate the Department has set in the North is 12 cents, so there is a matter of perhaps 10 to 15 cents subsidy and there would be something of the order of 100,000 kilowatt hours involved, so you are getting into something of the order of $10,000 to $15,000.

Mr. Yewchuk: Per year?

Mr. Humphrys: Yes, per year in a small community.

The Chairman: I have a further supplementary. In your opinion, Mr. Humphrys, is a reasonable way to approach the problem of servicing small communities with less than 200 population to have the Department or one of the Departments of the government supply the electricity to the population because it happens to have some sort of facilities there itself? Do you feel this is a reasonable way of dealing with the situation, or do you feel that you could do it more efficiently?

Mr. Humphrys: No, for most of these very small communities it is a reasonable way of doing it. We have no magic formula; we can only buy fuel and put it into engines and generate it and if the Department has a reason to have an establishment and personnel there these very small plants generally can be run pretty much on an unattended basis.

Mr. MacDonald: Really part time employees; it is concealed subsidies in the sense that people who are hired to do other jobs are looking after the plant.

Mr. O'Connell: May I ask a question supplementary to the Chairman'? I think the Chairman's question was, is this a reasonable way to supply power to the population? So far as I understand from the previous answers, when a department is supplying power it

supplies it to itself, and really very little to the population.

Mr. MacDonald: No, no. It just happens that the Department runs the generating unit and supplies it to the population. The Commission is not involved.

Mr. O'Connell: And charges the population.

Mr. MacDonald: It charges 12 cents per kilowatt hour.

The Chairman: Mr. Simpson, you indicated earlier you had some questions.

Mr. Simpson: I have a supplementary on that question. Do I understand correctly that in all cases in respect of the native people's requirements the Department purchases power from the Commission and, in turn, looks after the distribution to the native people? What I am getting at is, in places where the Commission is operative, does it deal directly with the individual's requirements?

Mr. MacDonald: Yes.

Mr. Simpson: They deal through the Department?

Mr. MacDonald: No, the former, directly with their customers. The Department is not involved, and conversely, where the Department is operating one of these small stations the Commission is not involved. It is a direct supply of power to the little community.

Mr. Simpson: Are there a number of communities where the situation is such that the majority of the native people are now receiving power services in northern areas?

Mr. Humphrys: Yes, it is fair to say the majority are; I would not say all are.

Mr. Simpson: I am thinking of places like Tuktoyaktuk.

Mr. Humphrys: Yes.

Mr. Simpson: Cambridge is, I realize.

Mr. MacDonald: Can we think of some places that are not electrified?

Mr. Humphrys: I do not think there are any places that do not have some electrification, but in some places such as Holman Island, Cape Dorset and Pangnirtung and more remote ones, I do not know what percentage of the locals are receiving power.

Mr. MacDonald: Well, it would be very high in places like Pangnirtung because there the housing program is fully developed and these have power supplies too.

Mr. Humphrys: Yes, it is developing. Baker Lake is a good example. There are some 50 or 75 houses going in and they will be supplied with power; all this new development has power.

Mr. Simpson: I understand this so far as the Eskimo people are concerned, but how about non-Eskimo people? Do they receive power in these communities only in relation to their ability to pay and to have these facilities installed?

Mr. MacDonald: Where the Department is involved there are few non-Eskimo people. You are probably thinking of the Métis or other native-born northerners. This tends to be rather more a characteristic as you go farther west, whereas a lot of the departmental installations are in the rim on the eastern side, so I cannot think of any situation that would quite fit the...

Mr. Simpson: I am thinking of situations such as Dawson.

Mr. Humphrys: Dawson is entirely covered. There might be a few Indians living in tents that have no facilities in their premises, but there are very few people that have no power.

Mr. Simpson: I know other members want to ask questions, but I do want to follow up one thing before I relinquish the floor.

Returning to the matter of employment of native peoples and apart from governmental opportunities for education, does the Commission have any facilities for on-site training such as apprenticeship whereby an Eskimo person who applies himself could eventually, tthrough his work with the Commission receive, say, journeyman's papers as an electrician or something of that nature?

Mr. Humphrys: We do not have the actual formal processes for apprenticeship and training, but this is arranged through the Department. We do have what we call on-job training, and once an individual such as an Eskimo develops to the point where he obviously is a candidate he will be given this kind of training and accorded the standard educational facilities of the Department with apprenticeship rating. He would come out of this training with these papers to his credit.

Mr. Simpson: Thank you. You mentioned that before but I just wondered if there were any cases of their being able to complete their...

Mr. Humphrys: I do not know if I can name any Eskimos at this time. We do have a number of natives and Métis, particularly in the Port Smith area, for which things started a little earlier but we have not had time yet to bring some of these Eskimo people along, but they are coming. We have several Eskimos employed at Frobisher Bay who are doing very well. As far as Eskimos are concerned, you have to bear in mind that most of our operations are not in the Eskimo country.

Mr. Simpson: Yes.

The Chairman: Mr. Borrie?

Mr. Borrie: Mr. MacDonald, did I understand correctly from your opening statement that you are proposing to establish a planning and development board?

Mr. MacDonald: A planning and develpoment group. We have reorganized the Commission recently to try to define several functions rather more clearly and to give emphasis to this point. Things are happening very, very rapidly in the North, both in terms of quantum and in terms of technological development, and we want to make sure the Commission stays abreast of these things.

Mr. Borrie: This would be comprised of whom? Who do you envisage would comprise this group?

Mr. MacDonald: Well, we have given three assistant general managers specific responsibilities under Mr. Humphrys, who is the General Manager. We have one assistant general manager on the administrative complex, Mr. Prevy who is here. That is financial, because the Commission as a utility is very much weighted in that; then, obviously, an Assistant General Manager, Operations, to run the operating set and an Assistant General Manager, Technical Services. The planning group is under him, and we have engineering, that is the day-to-day maintenance, construction of plant and long-range planning. Those two elements are under that assistant general manager.

Mr. Borrie: I see. At the present time planning and development is being handled by the Department, is it not?

Mr. MacDonald: No, no, by the Commission.

Mr. Borrie: By the Commission.

Mr. MacDonald: However, there is close liaison with the development branch of the Department, who are very heavily involved in other incentives with the mining industry and other users, so that we get a complete input of what is going on. Mr. Humphrys and his officers work very closely with the directors in our Department as well to see that there is this kind of cross-feed.

Mr. Borrie: Thank you.

Mr. MacDonald: But it also involves technological development with which, of course, the Commission itself is solely concerned.

Mr. Borrie: Thank you, Mr. Chairman:

The Chairman: Mr. Cullen?

Mr. Cullen: You mentioned, and I probably should have followed this up with a supplementary, that when the native population is used in these occupations some of them go off on their hunting and fishing trips and then come back, and there is very little disturbance. Do you find as a result of the Commission's employing Eskimos that it has a tendency to curb these nomadic tendencies? Does it cut down and make them become more community minded?

Mr. MacDonald: Yes, if I may just speak to that point, because a great deal is said here on this subject which is rather damaging to the prospects of employment of Indian and Eskimo people and which is not really sustained when you examine it.

First of all any extreme tendencies in this regard can be ameliorated to a degree by good counselling and discussion with the Indian and Eskimo people as they look at the range of choices facing them. We have found, and other employers who have tried to take some time to talk to the Indian and Eskimo people have found, that this sort of thing can be worked out. Taking the whole broad thing with a little bit of give-and-take on the part of the employer, the effect on the operations is really quite negligible. We have seen this startlingly illustrated in the attitudes of senior and on-line management. If all of the adjustments are expected of the Indians or the Eskimos, sometimes the results are very disastrous and employers have a great number of examples they can point to as proving

their point of view. However, if some effort is made to adjust, in the manner I have indicated, to the Indian point of view, the results are really quite startlingly the other way. This has been our experience and it has been the experience of other employers in the North. For example the Pine Point Railway is almost entirely run by Eskimo people, and run very, very efficiently.

Other areas of employment we have found have had much success—I will not mention them because we are working with these companies—with the work of senior management in recognizing the importance of getting that message down through their line operators. They bring someone up from southern Canada in a straw boss sort of context and he looks at a certain job; he has a job to do and is apt to demand all the adjustment from the people he is looking at.

• 1215

We are persuading management to work through their people. We are prepared to offer training and counselling for managers in this field, as well as to the native people. I think it is beginning to achieve some success and generally we are writing into our resource development agreements conditions with respect to the employment of native people.

Mr. Nielsen: Mr. Chairman, I think it is always well to relate the theory to the fact. I wonder if the Deputy Minister could tell the Committee how many native Indian people are employed in the NCPC operations in Dawson city, in Mayo and in Whitehorse, which are the only three operations of the Corporation in the Yukon.

Mr. MacDonald: I gave some figures. I am speaking now of Indian people. I cannot break them out in the manner you have indicated, but earlier I did give the Committee the figure of 27 Indian and 24 Metis.

Mr. Nielsen: I got those figures, Mr. Chairman. I suggest to the Deputy Minister that there are no native Indian people working in any of the Yukon plants.

Mr. Humphrys: I do not think that is correct. I think there is one, but I would have to check this out.

Mr. Nielsen: How many years has the Corporation been operating in the Yukon?

Mr. Humphrys: In Whitehorse it has been operating for 10 years.

Mr. Nielsen: In Mayo?

Mr. Humphrys: In Mayo for about 14—1952, 16 years.

Mr. Nielsen: And in Dawson just two years.

Mr. Humphrys: Dawson just two years yes. One of the factors is that we have tried to hire local people if they are available.

Mr. Nielsen: Something is wrong with the training program.

The Chairman: I have a supplementary to Mr. Nielsen's question. Just taking the three places which Mr. Nielsen has mentioned, how many skilled positions are there in these three towns, and how many unskilled positions would there be available with your Commission?

Mr. Humphrys: There would be approximately ten positions in Whitehorse, seven in Mayo, and about seven in Dawson. Of these, all but two in Whitehorse would be classed as skilled positions. To the greatest extent the others would be labouring type work.

The Chairman: There is no reason then basically why initially all of the unskilled positions should not be filled by Indian people.

Mr. Humphrys: They could be filled by Indian people if they were available to do the work.

Mr. MacDonald: If we can attract them to the work. We have set a policy recently in the federal government of working to 75 per cent occupancy of all of these jobs, both skilled and semi-skilled, by 1977; that is what we are trying to do.

The Chairman: Is there a conscious effort being made on the part of your Commission now, quite apart from the efforts that are being made by the Department generally, to search out employees who are Indian or Eskimo so that they might be absorbed into your staff?

Mr. Humphrys: Absolutely, in the localities where they are available. However, we are not in the position of being able to transfer an Indian from one locality to another. At least if we can hire a native man, a Metis in Norman Wells, for instance, we prefer to do

that to hiring an Eskimo in Coppermine and transferring him down to Norman Wells because there is the cost of moving, the matter of accommodation and so forth. There may be a surplus of Eskimo availability in one locality, but we cannot hire them just because we have a vacancy somewhere in Fort Smith or in Yellowknife.

Mr. Nielsen: And why not? Surely the other government departments move people all over the North.

Mr. Humphrys: It is a matter of accommodation.

Mr. Nielsen: If the employee is willing to go.

Mr. Humphrys: If he is willing to go, we would just as soon hire him if he is willing to go, and if there is accommodation for him; but in many instances there is no accommodation to move a man and only dislocates him.

Mr. Nielsen: The government builds houses for its employees in the North.

Mr. Humphrys: The Northern Canada Power Commission tries to operate at as low a cost as possible, and if we can hire people locally we do not want to get into the overhead of housing and so forth, if we can hire local staff.

Mr. Orlikow: Mr. Chairman, as I understand it one of the big problems in the North is the constant movement. People come from southern Canada, if you can call it that, to the North. They stay a year or two if the various departments are lucky and then they leave. It has nothing to do with you, but I am told the turnover of teachers is fantastic; it is musical chairs played at a very quick rate. If that is true, somebody is finding accommodation for these people. Surely it is just as easy to find accommodation for an Eskimo or an Indian moving from one town to another as it is to find accommodation for people coming from Winnipeg or Ottawa or Toronto.

▸ 1220

Mr. MacDonald: I must draw your attention to the statute under which the Commission operates, which requires that it be self-sustaining in each of the individual plants. Teaching is not a comparable exercise. In the appropriations of the Department, we build houses. It has been a very costly exercise, and the accounts of the Commission as they are now established by statute just do not allow for that kind of elasticity.

Mr. Orlikow: Mr. Chairman, maybe I should have made it a little clearer than I did. I am not blaming your organization. It just seems to me that, aside from the humanitarian point of view, it is poor business for the government to continue to pay welfare to people in the North or anywhere else—to Eskimo, Indian or Metis people—if by the expenditure of some money for transportation or housing—I do not mean by your organization; I am not concerned about that—they can get permanent work and keep themselves. I think this is something the Department should be looking into.

The Chairman: A further supplementay on this. Is it not correct that in these three locations in the Yukon there is a substantial Indian population within which most of the adults at least are unemployed? Do you not think it would be reasonable that there should be some adult male Indians of employable age available for these sorts of position?

Mr. Humphrys: There are always some. We have had one or two—they have come and gone. It is a matter of education. As I said, there are certain degrees still. We have had one chap that I can think of in Whitehorse who went through the school system and was on our staff. He was located in Whitehorse and has been transferred to Mayo at present. Certainly, if there are local people available we are more than happy to employ them.

The Chairman: But have instructions been given to your people on site that when an Indian is hired some consideration be given to the initially higher rate of absenteeism than you would normally expect in these circumstances?

Mr. Humphrys: Oh, absolutely, yes.

The Chairman: These instructions have been given?

Mr. Humphrys: They have been instructed to work with these people and to realize that possibly they have an absentee problem. They are not discharged simply because they do not turn up for one shift. But this is a factor that has to be recognized in some of the small communities and small operations where we have a total staff complement of five men or four men sometimes, and if an operator does not show up, then you are in real difficulties. It is different if you are employing 25 or 30 people and one man does not come up; then

you can ride this out. But we do nevertheless try to use these people and cover them off where we can.

The Chairman: How reasonable would a system be that, instead of hiring one person for an available position, would hire two or have two available on the understanding that one would have to show up on a given morning, regardless of weather? Would this be reasonable?

Mr. Humphrys: I do not think it would be a practical thing, particularly on operating power plants. By and large, operating power plants, particularly hydro plants which we have at Whitehorse and Mayo, is an extremely boring operation; most of the time there is nothing for them to do, and it is difficult enough to keep up the interest of one man, let alone two where one is a cover-off. Coupled with this, you have the doubling up on the operating costs which is something that we have not any licence to do really. We cannot hire two men when one will do.

• 1225

Mr. Nielsen: On a question of privilege, Mr. Chairman. I do not think Mr. Humphrys has been around continuously enough in these communities to know where the places are to do things.

Mr. MacDonald: I think, Mr. Humphrys, that Mr. Nielsen was referring to a power plant.

Mr. Nielsen: There is not that lack of activities in the communities. All these plants are in the communities.

Mr. MacDonald: No, I think he is talking about on the job. He was not talking about the community at all.

Mr. Nielsen: Mr. Chairman, a supplementary. Did I understand that there was implicit in the reply given to one of Mr. Orlikow's questions that the corporation has discontinued its policy of building homes for employees?

Mr. Humphrys: I would not say it has discontinued its policy. Its policy has been to build as few homes as possible.

Mr. Nielsen: It is still a policy of the corporation to build homes for its employees where required?

Mr. Humphrys: Where required. If there is no other way of getting accommodation, it is forced to do this, yes.

The Chairman: Mr. Nielsen, are you finished?

Mr. Nielsen: Mr. Chairman, I have quite a number of other questions, but I have been purposely holding back here. I am sure Committee members, as well as yourself, will appreciate the fact that my riding is one that is particularly concerned about the operations of this corporation, unlike most other constituencies and of necessity I will be of some length in my questioning and I would like to hold back so that it can be given some continuity.

The Chairman: Mr. Nielsen, we will try and finish off all the other questions in the next 10 minutes and then give you 10 or 15 minutes. Will that be all right?

Mr. Nielsen: I am sure I will not be through in 10 minutes.

The Chairman: We will give you as much time as you want, then. Mr. O'Connell?

Mr. O'Connell: I am going to have the same problem as Mr. Nielsen. I have quite a few questions to ask one at this point, I am looking at the composition of the Commission. There is a Chairman, who is the Deputy Minister of the Indian Affairs and Northern Development Department; there is Mr. J. F. Parkinson, who I believe is with the Department of Finance; and Mr. Patterson I do not know.

Mr. MacDonald: He was a former member of our Department, a director when the Water Resources Branch was a part of the Department. He continued on when he was transferred to Energy, Mines and Resources because of his long experience and background in this field.

Mr. O'Connell: So there are three members, senior persons in three federal government departments. What I am wondering about, with a view to having an input from those people in the North who have development objectives in mind, is whether it would not make a lot of sense to have each of the two territorial councils name one member to this Commission so that some of these questions we are asking here now could be put much more directly to the Commission, from those who are right in the environment.

Secondly—and I am basing this suggestion, I suppose it is, on the steps taken recently by the Saskatchewan Power Commission when it did appoint an Indian to the Commission—it

would seem to me that, in view of the Department's policy of expanding Indian employment and in view of the fact that the statute gives the Commission a great deal of power to change the course of rivers, to dam them, to flood waters, in other words, to affect the environment out of which the native people made a traditional living, an Indian person named to the Commission would make a good deal of sense.

I would like to suggest, Mr. Chairman, that this Committee take a look at the composition of the Commission with a view to perhaps suggesting some changes. I do not know whether there would be appeals from the territorial councils for this kind of change. I would say the fact that Section 10 has remained so long unchanged perhaps reflects the absence of territorial voices and the difficulties that public servants would have in suggesting these kinds of change.

The Chairman: I think your suggestions are excellent, Mr. O'Connell, and I will undertake to have your suggestions discussed in the steering committee, and perhaps formulate some recommendations along with the carlier one.

Mr. O'Connell: I am prepared to take turns with Mr. Nielsen if he wants to. I have a very small technical question, and it relates to the surpulses that are accumulated around any particular plant. May those surpluses be used for plant extension, only for that plant, or are they available to the Commission?

Mr. Humphrys: Only for that plant.

Mr. O'Connell: I do not know if you want to come in, Mr. Nielsen, but I have a whole series of questions with respect to Inuvik and the utilidor which I would like to get in. I think they are important, no only from the—well, partiy from the social side. If there are others who want to ask questions before I get into this I will be pleased to step aside.

The Chairman: Do you have any further questions? Mr. Simpson.

Mr. Simpson: Could we have some brief explanation of the obligations of the Commission for water systems in the communities they are servicing? I should particularly like to know to what extent water is available to the residents of these communities, to the native population, and in what communities this would apply.

Mr. Humphrys: The concept of the Commission did not envisage its supplying water. Granted the Act now empowers it to operate water systems, the only one that the Commission operates as a Commission venture, not entirely a self-suporting operation, is at Inuvik. In other places where the Commission is involved in hot water operations it operates them on behalf of the Department on a contract basis—either the Department or the territorial government—and actually the Commission's responsibility is as an operating contract and does this because it is convenient to use the personnel involved with the object of minimizing the cost of utilities.

Mr. Simpson: I can ask our Chairman, then, if it would be in order to assume that question could be followed up later with officials of the Department when we are dealing with it.

Mr. Orlikow: May I ask one more question, Mr. Chairman?

The Chairman: I think, Mr. Orlikow, if you do not mind, Mr. Durante has been waiting for some time. He has not asked a single question.

Mr. Simpson: I have one brief question and possibly this can be answered only by the local force; I do not know, I am not saying that the officials here cannot answer it. I am quite interested in knowing to what extent the Commission, in supplying power to the local people and particularly the native people, have had occasion to discontinue this service by reason of lack of payment of accounts. Is this prevalent or is it practically nonexistent?

Mr. Humphrys: I would not say it is prevalent. There have been some instances of it but it is not a big factor. In many instances these become welfare cases and then their power accounts are paid by welfare. I think most of the problems we have had are not with natives and their inability to pay; they are with people who are consciously trying to avoid paying. Perhaps in some cases they have been immigrants, you might say, who have come in from outside and have moved out somewhere else, but collections in all these places are a problem. We have to go out and get the money but I would not say that the problem of collecting from the local natives is any more severe than it is with anybody else, and we have had very few disconnects for that reason.

Mr. Durante: Mr. Chairman, I should like to revert for a moment, if I may, to that aspect of this morning's discussion of particular interest to me, and I refer to the employment of natives by the Commission. Am I correct in assuming that it is the policy of the Commission to employ natives, so far as possible, to fill either skilled or unskilled positions?

Mr. MacDonald: Yes.

Mr. Durante: If that is true and from what has been stated this morning, that of the 24 positions in total in the three centres in the Yukon Territory we have only one native employed at present, may I also assume that many other natives have been discharged who, at one time or other, were in the employ of the Commission?

Mr. Humphrys: There have been a few discharges, but very, very few; discharges because of drunkenness or simply a lack of ability or willingness to work after frequent warnings and efforts to bring them on. Any dicharges we have had, I think are almost entirely associated with extreme drunkenness and inability to function.

Mr. Durante: I think you have answered my next question. We have heard it stated many times before that if we are going to have the natives adjust, we too must make some efforts in this direction and I wanted to know on what basis these natives were discharged. Are you really making a sincere effort to change your thinking as the employer and becoming a little more susceptible to the behaviour patterns of these people than you would with other employees?

• 1235

Mr. Humphrys: I think there is no doubt that we do make a very extensive effort to keep these people on staff and it is only after repeated difficulties that we take the drastic step of discharging people for this reason so far as our own Commission operations are concerned.

Mr. Durante: Then is the reason you have only one native at present employed in the Yukon that they just do not want to work?

Mr. Humphrys: I would not say that they do not want to work, but apparently they do not want to work for us or they have not been available at the time we required them. Bear in mind that when we started up a hydro plant in Whitehorse, we were displacing the operation of diesel plant and we staffed this hydro plant with the skilled people that were employed by this large Department of National Defence diesel plant and this was the nucleus of the staff for that plant.

I can think at the moment of one native Indian chap who has gone through the educational system and he was hired and put on our staff, and he went out for further training and he came back. At Mayo, when we started our operation there in 1950, we only had a staff of three and there was no native population available that we could hire to operate that plant. They had to be skilled to the extent of being able to handle electrical facilities, and so forth. At Dawson, when we took over the operation there, we staffed it entirely with the people that were working for the previous owners in Dawson. If we had discharged them there would have been no jobs for them. It was entirely a transfer of people from the operation there to our staff.

Mr. Durante: I have a final question, Mr. Chairman. You stated that they do not want to work for the Commission. Why? Is it possibly because of the attitude of the Commission towards these people?

Mr. Humphrys: I would not think so. I think they are more interested in other types of work such as carpentry and truck driving, and so forth. As I say, whenever we need staff we try to get them locally, but if there is nobody available then we have to hire somebody. I cannot say whether they really want to work for us or not. All I am saying is that it has not been an easy thing; it has not been a case of turning down local people.

We go to the manpower centre for employees and in other places such as Frobisher Bay or where there is no manpower centre we deal with the departmental employment people or training people as our first source for employees.

Mr. Durante: Thank you, Mr. Chairman.

Mr. MacDonald: If I may just add something here, Mr. Chairman, we have been trying to get the Manpower Department to come into the North to get at this problem of finding the people and putting them and the jobs together.

The Chairman: A supplementary question from Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I am very much interested in the

line of questioning pursued by the hon. gentleman. I just wondered, just after one particular section here after the Northern Canada Power Commission, but the total picture is much larger than this. There are other people who must employ Indians as well and I wonder whether, Mr. MacDonald, later on the Minister's statement might give a pretty comprehensive picture of the employment situation of the native people in the North, the potential manpower available and really the major direction in which the people are going.

The Chairman: Do you have a supplementary, Mr. Orlikow, or is it a different question?

Mr. Orlikow: It is not really a supplementary. Mr. MacDonald was speaking earlier about the possibilities for large-scale development of mines, and so on. When that comes it undoubtedly will lead to development of power through hydro-electric projects, and so on. The experience in other places—I am thinking of the experience at Thompson—was that this made tremendous changes in the way water moved and very often—at Thompson, for example—after the project was nearly completed it was found that they had to move a large number of Indians from areas where they had lived for probably a hundred years. They were not consulted in advance. I am wondering what processes, if any, you have for consultation with the native people before these big changes are made?

Mr. MacDonald: Any time there is a water development, and particularly a hydro development, it brings very agonizing problems to the whole society. I can think of other interests that are affected such as wild life, and this Department of which I am now Deputy Minister has been involved in a number of them. I know of no formal processes that exist for these situations because they are very ad hoc. We do not know when the next large-scale hydro development may arise. There is one possibility in the Yukon that is presently under discussion. It is somewhat of a long-range thing. I think if and when the governments concerned decide this appears to be a desirable development, they will have to set up some special means for hearing all the points of view. This concerns the whole problem of water development; what is indeed the optimum use? Should it be left undisturbed; should the economic benefits be derived; can you compromise with them.

• 1240

Mr. Orlikow: I have not suggested there is any simple answer. You have indicated the difficulties. I am concerned about making sure in some way—I do not think we can spell it out in detail—that the interests of the people there are protected, or if they cannot be protected in the way they have always been that there be some compensation.

For example—and this is a different thing but it is the same kind of affair—obviously when we signed the convention with the United States for the protection of wildlife we did not think about the treaty we had signed with the Indians which gave them the right to hunt and fish. They now find to their chagrin—that is putting it mildly—that the convention is more legally binding than their treaty. That is a rather serious thing.

Mr. MacDonald: I think, Mr. Orlikow, that undoubtedly in today's atmosphere any hydro project is going to be looked at rather carefully from this point of view. I do not know what procedure the government might adopt to do this but I am sure they will adopt something.

The Chairman: I have a few questions that I would now like to ask Mr. Humphrys.

How many people are without electricity in the areas serviced by your facilities? Did you ever analyse this?

Mr. Humphrys: No. There are not very many.

The Chairman: Is it not normal for a commission to determine what its potential market is? Do you not have your own analysis of the number of residences that are unserviced by electricity?

Mr. Humphrys: No, not in these small communities. They are essentially completely covered, although there may be a number of shacks and places that have not made an application for service. They are not wired and they just do not want power. However, I have no figures on that.

The Chairman: You say, and I agree with you, that there are undoubtedly areas in each of the towns or villages you service where there are a few homes without electricity. Is any effort made by your people to go out and say, "Would you like to have electricity installed?

Mr. Humphrys: No, we do not have to go to them, they come to us when they need power. There is not that kind of a demand. We do not have to go out and sell it at all.

Mr. Orlikow: Mr. Chairman, may I interject and ask another supplementary. Do you know or could you find out before we meet this time next year if there are people who are not being supplied with power, and if so how many, if any, are white people living in the communities and how many, if any, are native people, either Indian or Eskimo? That may not be a very important business question but I think it is a very important social question.

The Chairman: It is a question you are going to be asked by this Committee next year, I can assure you of that.

Mr. MacDonald: I touched on this point when I spoke about the social problems which I think are beyond the purview of this Commission and are more properly the responsibility of the Minister and of the government. I do not think it would really be fair, either in my capacity as Chairman of the Commission or in Mr. Humphrys', to talk about whether or not, for example, there ought to be a subsidy on electric power.

Mr. Orlikow: I am sorry, Mr. MacDonald, but that is not really what we are asking. We would like to know how many potential customers there are. I would assume that anyone living in a community where there is some kind of power system is a potential customer. How many homes—I do not care whether they are well-built or they are wooden shacks or tents—are not being served? If we knew that we then might ask the Minister and the Department why this is so.

• 1245

Mr. MacDonald: We may have some figures for you on that.

The Chairman: I have another question. I am told that these Alaska oil discoveries will perhaps result in a pipeline running either down through the Yukon or the Northwest Territories into British Columbia, or through Alberta into the United States. If this is the case, do you people have any plans at the moment to make special arrangements so that oil can be obtained more cheaply for your diesel units? Is there any thinking along these lines?

Mr. MacDonald: The whole question of whether the availability of oil in the north could—in terms of energy sources and particularly the associated gas—transform many of the economic situations that we presently have is under very active review. I cannot confirm at this time that there will indeed be a pipeline running down. This is a matter that we are looking at and a variety of suggestions and points of view have been offered. We would be hopeful, although we do not have the information yet to so demonstrate, that a pipeline down the Mackenzie valley would be the most economical way for the crude oil to get to a continental market. On the other hand, the United States may take into account other considerations, even if the economics of it—which are as yet unproven—were demonstrated. It is an objective fact that if new oil supplies and associated gas discoveries become available in the Delta, which is a very real possibility in Canada, it will transform the economy of the North to an even greater degree.

The Chairman: Thank you. Mr. O'Connell and Mr. Nielsen.

Mr. O'Connell: If I may, I would like to spend a few moments on the supply of heat, water and sewage facilities in Inuvik through the utilidor system. I notice in the report that a 3,500 foot extension was just completed, and I will ask some questions in separated order so they will not get too heavy.

Could you give an indication of the cost per foot of that extension as compared with the previous...

Mr. Humphrys: It is of the order of $1 million for the extension that was constructed.

Mr. O'Connell: How did you finance that?

Mr. Humphrys: It was financed by a government grant or loan, an interest-free loan to the Commission.

Mr. O'Connell: Yes. I notice under assets in your financial statement that you have the central heating, water, sewage and fire-alarm system in Inuvik set at about $7,400,000. That comes about after you have taken depreciation on other units. Do you not depreciate this, or is it an appropriation from Parliament?

Mr. Humphrys: It was a Parliamentary appropriation. That was the amount of money that was invested in it but it is not treated as a Commission asset as such.

Mr. MacDonald: We are really the trustees or custodians of this facility—the operators—rather than the principals.

Mr. Humphrys: That is right.

Mr. O'Connell: Then you did not finance it through a loan or an advance?

Mr. Humphrys: In the first instance it was an advance, but it was subsequently discharged by Parliamentary appropriation.

Mr. O'Connell: What I am getting at is that some of your utilities have been provided at virtually no cost to the Commission.

Mr. Humphrys: The capital cost of the Inuvik utilidor system, which includes the heating and the water system and the sewage facilities, was provided by the federal government and no effort is being made to recover capital charges from the users—the users being the federal government almost entirely.

Mr. O'Connell: Yes. In effect, then, one of your main utilities is provided to the Commission without cost and presumably the user charges would be lower for that reason.

Mr. Humphrys: Yes, they are lower than—

• 1250

Mr. O'Connell: If you had to repay principal and interest. Yet what one finds in Inuvik—and I was there a couple of years ago—is that the government has provided itself with these facilities, but the distressing thing about the town, as I am sure you are all very well aware, is that there is this unserviced area where the utilidor does not go through and this coincides largely with the native sector of the town. Perhaps this is not a question for your Commission, but I want to draw to the attention of the Committee that here we have a publicly-supplied system of water, sewage and heat that really goes to service government installations and it is not available to the people in that town. Also when the extension was provided were facilities made available to the native sector, if I can call it that, or the unserviced sector? Is there a further report on this statement which appears on page 2:

> Design studies were carried out in connection with a proposal to provide water and sewerage services only (without central heating facilities as are included in the standard utilidor arrangement) to a portion of the heretofore "unserviced" area within the townsite...

Could we have a report on the provision of services to the unserviced area?

Mr. Humphrys: This extension was primarily constructed to supply a new school and a number of federally-owned, Department of Public Works houses. In so doing it extended water and sewer services into the northern portion of the unserviced area. This made it possible to consider running a water and sewer line through the core of the unserviced area. Subsequently a design was developed and a water line and a sewer line was constructed. The sewer line actually has a double purpose; it acts as a sewer line to service the unserviced area and it is also the main sewer outfall for the extension. However, a water line has been built parallel to that which extends from the utilidor right down to the bottom end of the unserviced area, which will provide water service to those lots that can be readily serviced from it. Now, this does not cover the entire unserviced area but it is the beginning of getting into that area.

Mr. O'Connell: Will that extension to the unserviced area be on a self-sustaining level?

Mr. Humphrys: Yes, sir. It is financed by the territorial government. As to the recovery of costs for this service , it is up to the territorial government to set the rates at which they will supply water and sewer service to the consumers that might connect to it.

Mr. O'Connell: I would like to continue just for a moment. I think the principle is established, therefore, with the Power Commission that when it is convenient to the government it has made a power utility available without cost to the Commission. I think this goes some distance in giving us some basis for suggesting that where there are unserviced people in some communities that there is a possibility of extending services to those persons without cost to the Commission, since it is happening in Inuvik. Do I have the story straight?

Mr. Humphrys: Yes, that is right, without cost to the Commission. To take a specific case, the power aspect of Inuvik is run on a self-sustaining, self-liquidating basis as a normal Commission operation.

Mr. O'Connell: The power aspect.

Mr. Humphrys: But not the water and sewer. The capital costs of these facilities have been made available to the Commission, shall we say, or, as Mr. MacDonald has said, the Commission is really the custodian of these

facilities and does the operating. However, it does not actually own them in its own right.

Mr. O'Connell: Therefore the determination of where the service ought to apply and who should get it is really not a decision that is made by the Commission.

Mr. Humphrys: That is right.

Mr. MacDonald: In this case we merely act as agents.

Mr. O'Connell: Yes. That is all the more reason, then, for representation by the territorial councils.

Mr. MacDonald: I do not think I would like that to follow from any assent on my part—

Mr. O'Connell: All right.

Mr. MacDonald: —because there is this small matter of who puts up the money.

Mr. O'Connell: I will not insist on the point.

Mr. MacDonald: And it happens to be the federal government.

Mr. O'Connell: Could you tell me in connection with this whether there are other instances where the Commission wholesales its utilities to a community like Whitehorse or to the public, or a local government—put it that way—such as Inuvik, Yellowknife, and so on? Do you wholesale power to a local incorporated community?

Mr. Humphrys: No, not to any local incorporated communities. We wholesale power to some private companies for distribution but not to any municipal or publicly-owned bodies.

Mr. MacDonald: To clarify, in Whitehorse we wholesale to the Yukon Electric Company who distribute.

Mr. O'Connell: This enables it to charge those rates which it wishes to. Is there anything in your Act which prohibits your wholesaling power, say to Inuvik?

Mr. Humphrys: To the town of Inuvik?

Mr. O'Connell: Yes.

• 1255

Mr. Humphrys: There is nothing to prevent our doing it; no.

Mr. Nielsen: While we are on this it might be well to straighten out a misunderstanding that perhaps my friend has with respect to Yukon Electric charging those rates which it wishes. I think Mr. Humphrys and the Deputy Minister are familiar with the fact that franchises are held by Yukon Electric and the rates therein are controlled by the Council of the Yukon Territories.

Mr. Humphrys: Yes.

The Chairman: Mr. O'Connell, does that complete your questions?

Mr. O'Connell: I should just like to ask, in connection with the utilidor again, whether the gentlemen could give us any idea of how many native persons in Inuvik draw services through the utilidor at present?

Mr. Humphrys: I do not think there are any native persons that can be said to be supplied services from the utilidor directly when you talk about heat, water and sewer. They do get water service by virtue of water having been made available at certain standpipes and so on, or occupants of houses that are connected to it.

Mr. O'Connell: Then there may be occupants of what is called here federal housing who are natives.

Mr. Humphrys: There could be. I have no figures on that.

Mr. O'Connell: I do not suppose this is a question you can answer, but are you aware whether any of the federal housing is what we call in Ontario public housing; that is, where rents are related to wages or income?

Mr. MacDonald: That, Mr. O'Connell, is a matter which the territorial government has under consideration with us. The whole field of public housing is one which has to be covered and I think we will have proposals in that respect.

The Chairman: I think we are getting a little bit of the track.

Mr. Nielsen: I see it is three minutes to one.

The Chairman: Mr. Nielsen, I am prepared to ask the Committee to sit until 1.30 p.m. so that we can go through your questions because I think you realize, along with everyone else here, that we have the Transportation Commission coming up on Thursday and I think it would be very desirable if we could get through this item today.

Mr. Nielsen: Both Mr. Simpson and I are due at another meeting at 12.30 p.m. and we purposely stayed over until 1 o'clock so that we would not destroy your quorum. We are a half hour late now. What I was going to do was simply to indicate to Mr. Humphrys one specific area on which I would be questioning when he appears next before the Committee so that he would be well prepared to answer the questions without delay or need to go back for information. I am afraid that Mr. Simpson and I will have to go; this is something we cannot avoid.

The Chairman: Then we will start off with your questions on Thursday morning with the Power Commission.

Mr. Nielsen: Thank you. May I then just indicate to Mr. Humphrys that I will be asking specific questions on the Dawson power situation, specifically the cost of acquisition of YCPC facility by NCPC and the cost of the power produced both domestically and commercially; the cost of the acquisition of the water system and the method of administration of the water and sewer systems with a breakdown of the cost of the plant at Dawson that was constructed by NCPC; the cost of the operation of that plant broken down into overhead in terms of bulk salaries to employees and other overhead, projecting these costs in terms of consumer rates for two or three years in the future.

The general nature of that kind of question I want also to ask with respect to the Mayo installation and the Whitehorse installation and, intending no hostility at all, I intend to ask some questions with respect to the philosophy of NCPC continuing in the Yukon in competition with private enterprise with the prospective objective, at any rate, of completely usurping private enterprise and assuming full control over the supplying of the utility of power throughout the Yukon.

I thought it would be fair to give you ample warning of these matters because some of them bear on different philosophies that personnel of NCPC and the Department may have and my own, and also to give an opportunity to dig up specific facts so that we can have an intelligent discussion of it.

The Chairman: We may have to sit Thursday evening if we find we are taking too long after the Transportation Commission on Thursday. We should be able to get through with your questioning in about half an hour.

• 1300

Mr. Nielsen: I think I can be brief enough; I shall try to be.

The Chairman: That is fine.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government
Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament
1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

THURSDAY, NOVEMBER 7, 1968

WITNESSES:

From the Northern Power Commission: Mr. J. A. MacDonald, Chairman; Mr. E. W. Humphrys, General Manager and Chief Engineer; Mr. C. Prevey, Assistant General Manager; Mr. T. Stott, Treasurer and Mr. W. D. Mills, Secretary.

From the Northern Transportation Company Limited: Mr. W. M. Gilchrist, President; Mr. R. C. Powell, Secretary and Mr. W. B. Hunter, General Manager.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29115—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Duquet	Nielsen,
Borrie,	[1] Howard (*Skeena*),	O'Connell,
Buchanan,	Laprise,	Orlikow,
Cullen,	Marchand (*Kamloops-Cariboo*),	Simpson,
Dinsdale,	McKinley,	Smerchanski,
Durante,		Southam,
		Yewchuk—(20)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Peters on November 6, 1968.

ORDER OF REFERENCE

WEDNESDAY, November 6, 1968.

Odered,—That the name of Mr. Howard (Skeena) be substituted for that of Mr. Peters on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29115—1½

MINUTES OF PROCEEDINGS

THURSDAY, November 7, 1968.
(3)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:10 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Buchanan, Cullen, Dinsdale, Duquet, Durante, Laprise, Marchand (*Kamloops-Cariboo*), McKinley, Nielsen, O'Connell, Orlikow, Simpson, Smerchanski, Southam, St. Pierre, Watson, Yewchuk—(17).

Also present: Messrs. Orange and Peters.

In attendance: From the Northern Canada Power Commission: Messrs. J. A. MacDonald, Chairman; E. W. Humphrys, General Manager and Chief Engineer; C. Prevey, Assistant General Manager—Administration and Finance; T. Stott, Treasurer; W. D. Mills, Secretary. *From the Northern Transportation Company Ltd.*: Messrs. W. M. Gilchrist, President; R. C. Powell, Secretary; W. B. Hunter, General Manager.

The Committee resumed the questioning of the officials from the Northern Canada Power Commission.

During questioning, on motion of Mr. Nielsen, it was

Agreed,—That the following papers be made appendices to the Minutes of Proceedings and Evidence of this day's meeting. The following are:

(i) Comparison of revenue and fuel costs for the year 1965-66. (*See Appendix "B"*).

(ii) Rate comparison of residential and commercial small diesel plants at some northern communities. (*See Appendix "C"*) .

(iii) Monthly rate schedules at Fort Simpson, Fort Smith, Yellowknife. and Hay River. (*See Appendix "D"*).

(iv) Comparison of Hay River rates with other northern communities. (*See Appendix "E"*).

(v) Comparison of some Yukon Electric rates and Northern Canada Power Commission rates in Dawson City. (*See Appendix "F"*).

Later, on motion of Mr. O'Connell, it was

Agreed,—That Item L-65 relating to the Northern Canada Power Commission be allowed to stand and that the officials be recalled at a later date with detailed answers to some of the questions asked.

The witnesses from the Northern Canada Power Commission were excused and the Chairman called Item L-70 of the Revised Estimates relating to the Northern Transportation Company Ltd. The Chairman introduced the witnesses.

On motion of Mr. Marchand (*Kamloops-Cariboo*), it was

Agreed,—That the brief, Memorandum of Northern Transportation Company Ltd., submitted to the Committee be printed as an appendix to the Minutes of Proceedings and Evidence of this day's meeting. (*See Appendix "G"*).

Mr. Gilchrist made a short statement summarizing the brief submitted, and he and his officials were questioned by the Committee.

On motion of Mr. Simpson, it was

Agreed,—That Item L-70 relating to the Northern Transportation Company Ltd. be allowed to stand.

The Chairman thanked the witnesses and they were excused.

On motion of Mr. Marchand (*Kamloops-Cariboo*), it was

Agreed,—That the Committee adjourn.

At 1:30 p.m., the Chairman adjourned the meeting until Thursday, November 14, 1968.

Michael B. Kirby,

Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 7, 1968

• 1110

The Chairman: Gentlemen, I see a quorum. Mr. Nielsen asked a number of questions at the close of the meeting on Tuesday, and I understand that Mr. Humphrys or Mr. MacDonald have some of the answers ready now.

Mr. Nielsen: Mr. Chairman, I did not ask a question, I simply gave notice of the kind of information that I would be seeking so that Mr. Humphrys and Mr. MacDonald would be prepared to provide the answers.

The Chairman: Would you like to start then with your questions?

Mr. Nielsen: Thank you, Mr. Chairman. Before I start putting my questions, I might say that they might at times sound hostile...

[*Interpretation*]

Mr. Laprise: Mr. Chairman, perhaps the gentleman could elaborate?

[*English*]

Mr. Nielsen: ...but that certainly will not be my intention. Because of the fact that the Northern Canada Power Commission, apart from its operations in the Northwest Territories, has three rather important installations in the Yukon and because of the emerging economy of the Yukon it becomes extremely important to us there to obtain this factual information—because NCPC there, unlike the Northwest Territories, is operating as a competitor, as it were, with private enterprise, and of course the future of that private power supplier and of NCPC is deserving of consideration with respect to the jurisdiction which each should have in the economic future of the Yukon.

Before putting the first specific question I wonder if I might ask whether there is any significance attached to the quotation marks surrounding the general statement of authority and objectives of the NCPC on page 5 of the Annual Report. If there is some significance to those quotation marks I would like to know what it is.

The Chairman: What page is that again?

Mr. Nielsen: The pages are not numbered but it is the fifth page. It starts off:

> The Northern Canada Power Commission operates under authority of the Northern Canada Power Commission Act...

It is just one paragraph and it begins and ends with quotation marks.

Mr. E. W. Humphrys (General Manager, Chief Engineer, Northern Canada Power Development): You are quoting from a previous report?

Mr. Nielsen: From a previous report. In that preliminary statement it is set forth that the Commission

> ...shall be self-sustaining, consequently rates charged for utilities supplied must provide sufficient revenue to cover interest on investment, repayment of principal over a period of years, operating and maintenance expenses and a contingency reserve.

Would it be fair to add depreciation to that list of provisions? Would that be one of the things that rates would cover in the operation of each of these units?

Mr. Humphrys: In respect of assets acquired out of earnings. The charge for repayment of principal is considered to be the equivalent of depreciation except in respect to assets acquired out of earnings.

Mr. Nielsen: Yes. And in fact the balance sheet from time to time includes an item for depreciation, does it not?

Mr. Humphrys: That is right.

Mr. Nielsen: When the Act was first passed the general intention was to provide power where private enterprise was unable or unwilling to go in the Northwest Territories and the operation of the Act was confined to the Northwest Territories. Would that be correct?

Mr. Humphrys: When the Act was first passed it was confined to the Northwest Territories, yes.

Mr. Nielsen: Then I believe in 1948 it was amended to include the Yukon and other parts of Canada on the approval of the Governor in Council.

• 1115

Mr. Humphrys: There were two amendments. I have forgotten the actual dates but one, I think, was in 1949 which included the Yukon, and then the later amendment extended to such other parts of Canada as may be approved by the Governor in Council.

Mr. Nielsen: Is it still the outlook or the philosophy of the Department and of the Commission that NCPC should operate in these areas of Canada where private enterprise is unable or unwilling to invest in the supply of utilities?

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission): Mr. Chairman, if I may reply to that, I think that the outlook of the Commission would be subject to the direction of the Minister or the government of the day with respect to that. I do not think the Commission would, in itself, have an outlook; it would be subject to the direction of the government.

Mr. Nielsen: You know of no move afoot to separate the Chairmanship of NCPC from where it now resides—that is, with the Deputy Minister of Indian Affairs and Northern Development?

Mr. MacDonald: Well, sometimes one is the last one to know. I know of none.

Mr. Nielsen: Is Mr. Humphrys a member of the Commission?

Mr. MacDonald: No.

Mr. Nielsen: I want to refer specifically, if I might, to the statement of income and expenses for NCPC which is included as "Exhibit VI" in your Annual Report.

Along the top of the Statement of Income and Expenses are listed all of the plants that are operated by NCPC. Is that correct?

Mr. Humphrys: As of March 31 last.

Mr. Nielsen: One of the items listed under expenses is that of "Depreciation" which is the last item.

Mr. MacDonald: Mr. Chairman, I am sorry I did not get the page number.

Mr. Nielsen: In my copy it is page six in Roman numerals.

It reads "Statement of Income and Expense By Plant for the Fiscal Year Ended March 31, 1968". Under the item "Depreciation", Mr. Humphrys, there appears by the plants an allowance for depreciation for every plant except three—one at Dawson city, of which I am primarily concerned, and the others at Coppermine and Cambridge Bay. Could you explain why there has been no allowance for depreciation with respect to each of those three plants?

Mr. Humphrys: These three plants only came into operation during the last year and, you might say, their debt has not been funded. The debt is repayable as from March 31 the year following completion of the plant. The plant was not declared completed in that year so the debt charges on those plants will not appear until next year.

Mr. Nielsen: When was the acquisition of the Dawson city plant made by NCPC?

Mr. Humphrys: It was effective in October of 1966—that is when we first took it into operation. However the diesel plant was constructed in 1967 and the distribution system had not been fully completed last year.

Mr. Nielsen: Was any part of the assets of the old North Fork hydro plant and the diesel generating plant owned by Yukon Consolidated Gold Corporation until that time?

• 1120

Mr. Humphrys: The Yukon Consolidated Gold Corporation owned the North Fork hydro plant.

Mr. Nielsen: Did NCPC purchase any of the assets in connection with that plant?

Mr. Humphrys: No.

Mr. Nielsen: Did NCPC purchase any of the assets in connection with the diesel plant at Dawson city?

Mr. Humphrys: Well the diesel plant was part of the water system. There is the Dawson Electric Light Company and the Dawson Water Company, and the diesel plant that you refer to is owned by the Dawson Water Company.

Mr. Nielsen: But did the NCPC acquire any of those assets?

Mr. Humphrys: Yes.

Mr. Nielsen: And these were acquired in October of 1966?

Mr. Humphrys: Yes.

Mr. Nielsen: Normally, would not depreciation be shown, or were those assets written off entirely?

Mr. Humphrys: If they have not been they will be written off entirely as part of the purchase arrangement.

Mr. Nielsen: What was the purchase price that was paid to YCGC for the acquisiton of those assets?

Mr. Humphrys: Well, for the three companies that we purchased, the total cost was $102,000.

Mr. Nielsen: And where do I find that reflected in your statements of accounting in this Annual Report?

Mr. Humphrys: They are included in the Assets and Liabilities of the Dawson Statement, but we actually purchased the three companies, and it does appear in...

Mr. Nielsen: Would that be the statement at the top of page V(A) $213,742?

Mr. Humphrys: No, that is the cash amount. The fixed assets are in with the capital and shown under capital assets in the Commission's statement, recognizing that this is a consolidated statement of the Commission's account and subsidiary companies.

Mr. Nielsen: That is the telephone company, the water company, and the power company?

Mr. Humphrys: That is right.

Mr. Nielsen: There is shown there a figure of $395,671. What portion of that reflects the cost to NCPC of the assets purchased from Y.C.G.C.?

Mr. Humphrys: $232,694.

Mr. Nielsen: I am sorry, would you repeat that.

Mr. Humphrys: $232,694.

Mr. Nielsen: Thank you. That was in October of 1966?

Mr. Humphrys: That is right.

Mr. Nielsen: Why was that figure not depreciated in your balance sheet that intervenes between this one and the time of purchase?

Mr. Humphrys: The depreciated value is shown below at $132,000, sir. This is a matter of presentation chosen by the Auditor General.

Mr. Nielsen: On any balance sheet or statement of income and expenses, would not that figure for depreciation be shown in vi?

Mr. Humphrys: In the case of statement vi, this is purely an operating statement, and since October, 1966, these companies have been completely inoperative. Therefore, there have been no charges to operation.

Mr. Nielsen: Who was supplying power in Dawson from 1966 on?

Mr. Humphrys: Northern Canada Power Commission. It started its operation on October, 1966.

Mr. Nielsen: Why do we not see this figure?

Mr. Humphrys: Subsidiary companies were not operating, since then.

Mr. Nielsen: Well, is that not—no offence intended—splitting hairs? There were in fact assets that were depreciating. Why is it not reflected in the statement of income and expenses?

Mr. T. Stott (Treasurer, Northern Canada Power Commission): There have been no charges to operations since October, 1966.

Mr. Nielsen: Would you agree with me that there should have been?

Mr. Stott: We have had no debt retirements. We have not acquired any assets out of earnings, therefore there have been no charges for depreciation chargeable to earnings. I think that statement fits quite properly in that case, the income statement, that is, 1966.

Mr. Nielsen: I cannot reconcile that with the answer that I got a moment ago that depreciation is one of those charges which should be included in the rate structure, and it has not been in this case, in fact.

Mr. Stott: Which meant repayment of the capital debt on the Dawson operation effective 31 March, 1969.

Mr. Nielsen: So in other words, you will not be showing depreciation on that plant until your next financial statement, indeed the one following it.

• 1125

Mr. Stott: No, there will be a charge.

Mr. Nielsen: Do the answers which you have given with respect to the Dawson plant apply equally with respect to the Coppermine and Cambridge Bay plants?

Mr. Stott: The same situation applies there.

Mr. Nielsen: Another explanation that I would like to have, primarily because I am not too familiar with accounting procedures, I notice that in some instances for instance, the Coppermine plant, you have gross income of $52,643, and this balances precisely with the expenses. I find it rather odd that income and expenses should balance to the dollar.

Mr. Humphrys: This is because we have an arrangement with the Department of Northern Affairs whereby the department underwrites the operating losses on this. It is agreed that power be supplied at 12 cents a kilowatt hour to the general public and departmental requirements, and if the costs exceed the revenue receivable at that level, which we knew they would do, the department picks up the difference.

Mr. Nielsen: And does that apply with the Edmonton and Head Offices item and the contract work item as well?

Mr. Humphrys: Charges of the Edmonton office are completely charged out to other operations, so it ends up as a nil expense item.

Mr. Nielsen: Were there in fact losses on the Coppermine plant which are not shown here?

Mr. Humphrys: I would not say they were losses; there is a deficiency of revenue as compared with expense, yes. It is a subsidy operation.

Mr. MacDonald: I think we mentioned this point in the previous hearing, that in these isolated areas where the units are so small, the standard rate of 12 mills just simply does not cover expenses.

Mr. Nielsen: Well, at one time in your financial information the Commission used to show sales, and I see they are all lumped here now. They do not show sales by the plant.

Mr. MacDonald: No. It says by individual plants.

Mr. Nielsen: Sales and power, I see, yes. Well, not that I am reluctant to accept the explanation with respect to this precise balance, but it seems to me that there must have been some difference. I rather suspect that the cost of producing the power was more than is shown here, and that it has been subsidized and yet we do not know by how much it has been subsidized.

Mr. Humphrys: The extra cost to produce the power was $52,000 in the case of Coppermine.

Mr. Nielsen: The expenses are precisely the same.

Mr. Humphrys: No. The income is shown as $39,000.

Mr. Nielsen: What perplexes me is that the last horizontal column but one shows the net income for a loss on each operation, but we do not know it for Coppermine. It must have been a loss.

Mr. MacDonald: I think that is a fair point.

Mr. Nielsen: Yes, but how much?

Mr. MacDonald: We will find out and tell you.

Mr. Stott: The figure is available. The figure was filled by the Department at your end to balance the account.

Mr. MacDonald: In other words, what we are dealing with here is an abnormality in a commercial operation, but to give that information we will secure what the Department was billed for, to supply the deficiency in income. As far as the Commission is concerned, it received the income.

Mr. Nielsen: Thank you. Now, in these areas such as the Dawson Plant, the Fort Resolution Plant, and all of those where a loss is shown, is it the intention of the Commission to increase the rates, since it is their stated objective to be self-sufficient in each one of these plants?

Mr. MacDonald: It is not only our objective. We are required to be self-sufficient. It may be self-sufficient over a period of time. One has to take a reading as to what the

likely growth prospects are. In other words, I do not think we are required in any given financial period to be self-sustaining. I do not think that is defined in the statute and there are in fact many areas where we run into sudden loss loads which might require an increase in rates, but we know we can wait because there will be another growth which will recover the income. So I do not think we can give a sort of yes or no answer on that one. In some cases, we might have to raise the rates.

• 1130

Mr. Nielsen: Are you not stretching the authority under the Act—no offence intended here, if you will permit me to finish this question. You are operating on the basis that you are not self-sufficient now but that you know that you might be in the future, or you know you are going to be in the future, whereas in actual fact any individual operation may never be self-sufficient or self-sustaining.

Mr. MacDonald: The latter point could be correct but my former point could be equally correct. The question of what is self-sufficient—this means the retirement of the capital obligation, the payment of cost, and I think this has to be looked over a reasonably large period. One man in one year alone in any utility could suffer a loss of income for one reason or another; the closing down of a plant, for example; and we might or might not have to raise rates immediately. It would depend upon what one knew was going to come up. If one knew nothing was coming up, one would have to raise the rates under the statute as it is now drawn.

Mr. Nielsen: I agree that in so far as the general compliance with the restrictions contained in the Act is concerned, that is the Commission being self-sufficient, these plants meet these provisions because the Commission is in fact, self-sufficient. It has made a profit this year. Is that correct?

Mr. MacDonald: Yes.

Mr. Nielsen: So that would I not be correct in saying that those plants operated by the Commission that show a net income are in effect subsidizing the plants that are showing a net loss?

Mr. MacDonald: No, sir, we are not permitted to do that.

Mr. Nielsen: No, but generally is this not correct? The Commission is self-sustaining but there are several plants that suffer a loss in this particular year. For instance, the Whitehorse operation at $130,536 net income —in effect, that net income is helping to subsidize other plants that are suffering a loss.

Mr. Humphrys: Yes, for this particular year in that sense, but the accounting still has to be kept straight, and there will be an accumulated deficit; the deficits accumulate. It is only subsidizing to the extent that it is providing working capital.

Mr. Nielsen: So if there are no rate increases in these areas, in these plants operated by NCPC that are suffering losses, then the plants such as the Whitehorse plant and the Yellowknife plant and the Fort Smith plant will continue to supply the capital that the NCPC needs to comply with the Act and be self-sufficient.

Mr. MacDonald: I would like to repeat, Mr. Nielsen, that the Act requires us to be self-sufficient with respect to each installation. We discussed this the other day. We do not, in fact, have the authority to embark upon a rate equalization policy, although it may have that appearance in any one given year.

Mr. Nielsen: Well, it is a rather important point because it was raised by several other members yesterday. Those members introduced the theory that perhaps in order to be a sound business operation, the Commission should have an equalization of rates throughout the whole system rather than by individual plant. And, of course, the point that I am now trying to get through to the Committee members is that if that theory is adopted, then you will have the plants that are making the revenues in effect subsidizing those that are not. Would that not be a correct conclusion to come to?

Mr. MacDonald: This is the classic debate, I think, that goes on with respect to rate equalization. There are many arguments pro and con. A Whitehorse plant may be making a very healthy profit because it happens to have the industry, which is a rich customer load, and people in the more remote areas would argue that they are entitled to some benefit from this. Now this is a policy matter which the government would have to decide. There is no legal ability to have rate equalization at the present time.

• 1135

Mr. Nielsen: If Parliament did alter the terms of reference in the Act so as to provide equalization throughout the whole system, would it not be a fair conclusion to draw, on the basis of a financial statement like this, that the residents of Yellowknife and the residents of Fort Smith and Whitehorse and other plants making a net profit could expect no reduction in rates as far as NCPC is concerned?

Mr. Humphrys: That would be a fair conclusion, Mr. Nielsen.

Mr. O'Connell: Mr. Chairman, I do not think that is necessarily true, since I favour and introduced, I think at the last sitting, the concept of the system being conceived of as a whole and self-sustaining on the system basis rather than as now necessary on a single plant basis. I would like to say that that would not necessarily follow, the way I see it. It might well be that some of the major centres would so benefit from the development of other centres in the North through power development that they, in fact, would grow sufficiently that their own power uses would increase and rate reductions might be quite consistent with equalizations.

The Chairman: I think I should interrupt here. We are getting into a debate.

Mr. O'Connell: I am sorry.

Mr. Nielsen: I have no objection, because this is extremely important.

The Chairman: I know but we are getting into a debate, Mr. Nielsen, and I think that you should continue with your line of questioning.

Mr. O'Connell: Mr. Chairman, I do not like the point to go unchallenged.

Mr. Nielsen: I think it should be challenged, so that we can get to the heart of the matter because it is very important to us in the Yukon and in the Northwest Territories, and before proceeding to my next question, I want to draw my friends' attention to the fact that we are expecting an independent economic future of the Yukon quite apart from the Mackenzie, and I am sure that the people over there are looking forward to the same day. So if any equalization comes, we are looking for equalization within the political envisagement of an autonomous unit in the Yukon as well as in the Mackenzie.

To what amount is the Commission restricted in so far as reserve for contingencies is concerned? For instance, I do not know what the Ontario utilities commission requires, but in Alberta they are restricted to 2 per cent. What is the figure, if any?

Mr. Humphrys: There is no restriction.

Mr. Nielsen: So that you can have 10 or 20 per cent if you want to.

Mr. Humphrys: It is a matter of the Commission's decision.

Mr. Nielsen: Is it a common practice to have no restriction in so far as the operation of public utilities supplying power is concerned, or are all private investment enterprises restricted on this question of reserves for contingencies?

Mr. MacDonald: I think that would require, if we were to extend this not only in Canada and the United States but throughout the North American Continent, a survey of the requirements of the Public Utilities Commissions who would be the bodies who would presumably allow certain maxima, and I do not think we have that information but could secure it.

Mr. Nielsen: I do not want the detailed information. The point that I am making is simply that NCPC operates unlike any investment-owned utility in that NCPC has no restriction on its reserve contingencies; but that in other jurisdictions, in the operation of investment-owned utilities, there is such a restriction.

Mr. MacDonald: Well, we have never built up that kind of reserve contingency to the extent that it is a significant item. We do have within the Commission at the present time a ruling that our target is 6 per cent of the capital assets.

Mr. Nielsen: It is more than that in Whitehorse, is it not?

Mr. MacDonald: No, I do not think so. Tom, do you have the figures?

Mr. Stott: Six per cent of the capital assets is the target for our reserve. I am not sure if it is at the target at the moment.

Mr. Nielsen: I might throw this question at you out of the blue. Since the net income for the Whitehorse plant was $130,536 last year, when can we expect a rate decrease in Whitehorse?

Mr. MacDonald: I do not think there is any expectation that there will be one because of the changing factors in Whitehorse. We are doing very well to maintain the rate at the present 1.25 cents.

Mr. Nielsen: You are familiar with the rate structure of the Yukon Electrical Company Limited in the Yukon, are you, Mr. Humphrys?

Mr. Humphrys: Well, I have some knowledge of it.

Mr. Nielsen: Would you agree with me that Yukon Electrical Company Limited have never increased a rate since their inception in the Yukon?

• 1140

Mr. Humphrys: I cannot be sure. I have no knowledge of that at all.

Mr. Nielsen: I do not want to give evidence but that is the fact. For the benefit of members of the Committee, throughout the existence of NCPC has there ever been a rate increase to the distributor, Yukon Electrical in the Yukon?

Mr. Humphrys: From the Commission to Yukon Electrical?

Mr. Nielsen: Yes.

Mr. Humphrys: Yes, in one instance.

Mr. Nielsen: Just one?

Mr. Humphrys: Yes.

Mr. Nielsen: I believe that was for a temporary period of three months.

Mr. Humphrys: I believe that is right, yes.

Mr. Nielsen: Was there not also a rate increase with respect to heat?

Mr. Humphrys: No. At one stage there was a special rate granted which they subsequently changed. There was a reduction in the secondary power rate, but that is not supplied to Yukon Electrical.

Mr. Nielsen: Who is that supplied to?

Mr. Humphrys: Directly to the user. In this case to the Department of National Health and Welfare or the Department of Citizenship and Immigration for the electric boilers.

Mr. Nielsen: For the boilers in the hospital there. There are two electric boilers and one oil boiler in that hospital.

Mr. Humphrys: That is right.

Mr. Nielsen: Was there ever any approach made to the Department or to the Commission to take out those electric boilers and install oil?

Mr. Humphrys: There was never any approach made to the Commission or to the Department, no. What department do you mean?

Mr. Nielsen: To the Department of Indian Affairs and Northern Development or to the Commission to take out the electric boilers and put in oil.

Mr. Humphrys: You say an approach made to the Commission. There certainly has not been. There could not be. We have no control over those boilers.

Mr. Nielsen: How about the Department?

Mr. MacDonald: Not to my knowledge. That is all I could answer.

Mr. Humphrys: The Department of Indian Affairs and Northern Development is not involved in that.

Mr. MacDonald: It is not a departmental installation. I think it would be the Department of Health and Welfare.

Mr. Humphrys: That is right.

Mr. Nielsen: Members of the Committee might perhaps think that boilers are unimportant. Mr. Humphrys, you might inform us how much power each of those boilers use.

Mr. Humphrys: As I recall, the total capacity is 4,500 kilowatts.

Mr. Nielsen: And what is the installed capacity of one of the present two—there are three to come—units at the hydro dam in Whitehorse?

Mr. Humphrys: The present hydro installed capacity is—

Mr. Nielsen: Of one unit.

Mr. Humphrys: Of one unit it is 5.6 megawatts. There are two of those and there is an 8-megawatt unit being installed.

Mr. Nielsen: Mr. Chairman, in order to provide the information upon which we can

intelligently assess the operations of NCPC I crave the indulgence of the Committee to put comparative rate structures to Mr. Humphrys with respect to the plants in the Northwest Territories and in the Yukon, and this of necessity is going to take a little time.

The Chairman: Mr. Nielsen, can you think of any way of speeding that up?

Mr. Nielsen: I cannot think of any way. Of course, the total result will be to show that in every single instance the NCPC rates are higher to the user than investment-owned utilities.

The Chairman: For purposes of your argument can we accept this statement as being the case?

Mr. Nielsen: Not for the purposes of the argument, Mr. Chairman, because when the members of the Committee have the comparative rates structures before them the wide divergency in these rate structures will leap at them. I think it is essential to do this in the making of my case.

The Chairman: Would we save time if we were to agree to table this as part of the—

Mr. Nielsen: I would be very happy if the Committee would agree to that. I have the information here in document form.

The Chairman: Is it about the limit?

Mr. Nielsen: I did not come here prepared to do that. I did not think I would be permitted to do it, but I can extract the relevant pages.

• 1145

Mr. O'Connell: If it is not reasonable to table the figures perhaps the member could give a summary of the main points.

The Chairman: Yes. Would this be possible? I would just like to point out to all members of the Committee that although the questions this morning have been very interesting and most relevant to those people who live in the Yukon, we have before us in the next month and a half the estimates of the entire Department and we would like to get through the Power Commission this morning as well as the Transportation Commission. I think we all agree there are a lot of extremely important areas in the Department which we have to consider in the next couple of months and we have the estimates for next year coming up in February, so we have a certain limited time available to us. I would like to ask for your co-operation, and if there is any way of cutting down on the time involved in presenting this to the Committee we will be glad to co-operate with you, Mr. Nielsen, and I think we can agree as a Committee to attach your figures as an appendix. Perhaps you could run through the main points.

Mr. Nielsen: I certainly want to be as brief as I can but because of the nature of the operation, because of the nature of the statistical information, it of necessity has to be somewhat lengthy, Mr. Chairman. I apologize for this but there is no other way to do it. If I am permitted to put these documents in it will speed things up. Incidentally, Mr. Chairman, the comparative case I want to make now is not only confined to the Yukon, it also includes the Northwest Territories.

Mr. Peters: While Mr. Nielsen is looking over these, is there any particular disagreement on the part of the Commission which the statement he makes that there is an unreasonable disparity between the two sets of rates, the normal public utilities operating in the area and the Commission rate?

Mr. MacDonald: Yes, sir, there is disagreement and it is really a question of comparing apples and oranges. I think the comparison will take quite a while. Mr. Nielsen has suggested that he would like to table the comparative tables and if we are permitted to table our analysis this would be available to the Committee as well.

Mr. Nielsen: I do not want to leave it there, Mr. Chairman, because I want to question on it. I have passed one document to Mr. Humphrys, which is a comparison of revenue on fuel costs for the year 1965-66 for the plants at Fort Resolution, Fort Chipewyan, Haines Junction in the Yukon, Teslin, Destruction Bay, Beaver Creek in the Yukon and Wabasca in Alberta, and you will note that the kilowatt hours sold in the Fort Resolution plants at Fort Resolution, Fort Chipewyan, table of comparisons, is 11.5 cents and in all the other plants—all of which are operated by investment capital—the highest rate is 8.9 cents and the lowest 7.7 cents. Without going into your detailed analysis, does that look like a reasonably accurate comparison, Mr. Humphrys?

Mr. Humphrys: Just sitting here I cannot comment one way or the other on the other

figures. The figure for Fort Resolution, which I am familiar with, I would say looks accurate. I do not know about the others. Assuming the arithmetic is correct, yes.

Mr. Nielsen: I will table that and perhaps, as Mr. MacDonald has suggested, you might defeat that comparison by analysis. I rather hope you cannot.

The next document I want to pass out to you is a rate comparison for residential and commercial and using the same plants. Under residential we have broken down a monthly bill for 25, 50, 100, 150, and 300 kilowatt hours. For the Fort Resolution plant under those headings, 25, 50, 100, 150 and 300, we find $4.40, $8.40, $14.25, $17.25, and for 300 kilowatt hours it is $24.75. For all of the other locations, which are investment-owned utilities, you will find the highest rate to be $24.40. With respect to the commercial user, based on a 4-kilowatt-hour load—and these are monthly bills—under the 200, 400 and 800 kilowatt heads for the same plants we find that, for instance, under the 800 kilowatt head at Fort Resolution NCPC charges would amount to $128.40. The highest bill for an investor-owned utility is $72 at Fort Chipewyan and at Athabaska. At Haines Junction it is $80.50; these, compared with $128.40. Would that be a reasonably accurate comparison of these rates?

• 1150

Mr. MacDonald: We will not know until we have had a chance to analyse them; before accepting it as fact.

Mr. Nielsen: I wonder, Mr. MacDonald—I do not want to have you answer but Mr. Humphrys, I am sure, is familiar with the operation of NCPC. For instance, at Fort Resolution would the bill for 800 kilowatts for a month be $128.40?

Mr. Humphrys: Well, if somebody has done the arithmetic on the published rate structure correctly, yes. I cannot say offhand. It is on the order of the rate of magnitude, I would say; it would have to be checked.

Mr. Nielsen: That is the second document I wanted to submit, Mr. Chairman. Perhaps an analysis could be prepared and an attempt made to refute those figures.

The Chairman: Would you identify these documents as documents No. 1, 2 or...

Mr. Nielsen: Well, that will be the second one.

The Chairman: All right. Would you forward them to the Chair?

Mr. Nielsen: I have passed both of them to Mr. Humphrys.

Mr. MacDonald: Our purpose will be to refute, agree, or explain. The burden will be upon us, if the differences are there, to explain why they are there, and either it will appeal to the Committee or it will not.

Mr. Orlikow: Mr. Chairman, I do not want to interfere with Mr. Nielsen's presentation, and I am certainly no expert on rates—I do not now whether anybody on this Committee is—but I am wondering what point Mr. Nielsen is trying to make.

As I followed him at the beginning, I thought he was saying, in effect, that because this corporation is a Crown corporation it is not required to have the financial reserves which private companies do. I do not want to put words in his mouth, but it seemed to me he was implying this this company has an advantage—I was going to say, an unfair advantage—over other companies. I think that is what Mr. Nielsen said.

If he said that, and he is now saying that the company is charging higher rates—I am curious to know what Mr. Nielsen is trying to do. Is he trying to say that it is an inefficient company or not as efficient as the others?

Mr. Nielsen: That would be one of my purposes, Mr. Orlikow. It simply boils down to the fact that NCPC because of its higher cost of operation—for whatever reason—is required to charge more than investor-owned utilities. In fact, it will be my intention to show that this is what is happening, and if I am wrong I would like to know.

Mr. Cullen: I wonder if you will permit one more question? I am a little confused as well. I sort of got the impression that there was a competition here between a Crown-owned corporation and private industry and that private industry was charging less. As a result of your bringing these figures are you going to suggest that NCPC should get out of this area and get into another one?

Mr. Nielsen: That would be one of the purposes.

Mr. Cullen: I see; they are to get out and let private industry handle it. They could perhaps do their job better somewhere else?

Mr. Nielsen: Yes, that is one of the purposes and I will have alternative suggestions.

Mr. Cullen: If that suggestion is not accepted by the Committee are you then going to suggest that perhaps there would be room for improvement or a more efficient operation than this?

Mr. Nielsen: Yes, or the emergence of a policy.

• 1155

The Chairman: Mr. Nielsen, if I may say so, I think you have made your point and if you could submit the remaining documentation we could then have the Commission supply documents at the next meeting which might or might not refute what you have submitted. Do you have further questions in addition to these?

Mr. Nielsen: Oh, yes, I do, Mr. Chairman.

The Chairman: As a committee, I think you have to be fair with us, Mr. Nielsen. It is a pure question of time. How much time are we going to devote to this particular Commission? There are an awful lot of other important items to get to and I just do not know how we are going to get to all these items if we spend two or three sessions on this particular Commission. In my view, it is not justified; other members of the Committee may have differing views.

Mr. Nielsen: Mr. Chairman, the investment of its Whitehorse installation by the end of this year or early 1970 will be $20 million alone and I think it is really worthwhile spending a couple of hours on it, to say nothing of the extent of the investment in the Northwest Territories. There are, after all, 50,000 people who look to power, to say nothing of the millions of dollars of new industry and development going into both of these territories. In my 11 years in these Committee meetings we have never gone into any in-depth study of the NCPC operation. I will try to be as quick as I possibly can.

Mr. Dinsdale: I would just like to comment, if I may, Mr. Chairman. This is an important point. The cost of utilities in the North is one of the basic discouraging factors to settlement . .

Mr. Nielsen: And development.

Mr. Dinsdale: . . .and development and I think Mr. Nielsen has an important point.

Mr. Smerchanski: Mr. Chairman, possibly to clear the air, why not have the Commission give us comparative figures based on a kilowatt hour of the plant potential, the actual amount delivered and sold, and have this based on a cost per gallon of fuel oil versus the cost of the kilowatt hour produced, say, from a hydroplant, making due allowance for line loss, and so forth? I think if we got this on every plant installation it would give us an immediate comparison of where the costs really are; the capital cost, the operating cost, the selling price per kilowatt hour and I think then we would come up with the answer to whether you have to have 12 cents per kilowatt hour to break even on a certain plant or possibly 7 cents per kilowatt hour.

Could we get that type of comparison for every plant installed and possibly an explanation of how the fuel oil is being delivered to this place, giving due recognition to the location of this plant—is it inland, is it on the coastline, does it come by tanker or by drum, or is it flown in by air? This type of compilation I am quite sure the members of the government here today can give us because they are familiar with this type of work.

The Chairman: I think that is a very good point. I wonder if the members would accept this suggestion, that we simply allow Mr. Nielsen to submit the remainder of his documentation to be printed as appendices to our Proceedings?

We would ask the Department to supply the comparison figures which have been requested and also, if they can or if they wish to do so, supply documentation to refute the items and figures which Mr. Nielsen has submitted. Then we will come back to this at another session and we can pass on to the Transportation Commission right away.

Mr. Smerchanski: Mr. Chairman, if you will permit me, I would like to carry on further with Mr. Nielsen's inquiry because he comes up with a very good point. The other thing that concerns me as a newcomer at today's hearing is that I am concerned when I hear the word "subsidize" because it appears that the Department of Health or the Indian Affairs Department is subsidizing certain of these operations. Now, if they are being subsidized, they are being subsidized by tax dollars.

Therefore, I think as an added source of information we should find out how much the power in this northern area is subsidized, by

what departments and in what amount. This also is going to have a bearing on the cost per kilowatt hour delivered at that particular point. This, of course, would again help us to be able to analyse it in principle.

• 1200

The other question I have might be the last one. Following Mr. Nielsen's inquiry on Exhibit VI, I do not understand this: the income arising from construction, maintenance and operation of facilities for Canada and others, while showing an expense of operations and maintenance. How do you reconcile these two areas? Does the organization do construction work for somebody else and if it is for somebody else, is this private enterprise or are they other government departments?

Mr. Humphrys: They are other government departments.

Mr. Smerchanski: Entirely?

Mr. Humphrys: Yes.

Mr. Smerchanski: Would I be right in saying that this could be looked upon as being an intragovernmental movement, moving of funds, say from the Department of Health and Welfare or Indian Affairs?

Mr. MacDonald: The wordage is...

Mr. Smerchanski: Does this mean that some of the capital costs of the investments that are in the power plants in Northern Canada, are owned by other departments?

Mr. Humphrys: No.

Mr. Smerchanski: How do you reconcile the fact that this is income in terms of maintenance and operations for other departments?

Mr. MacDonald: We referred to Moose Factory, I think it is, and Field as two examples of the plants we operate merely as agents.

Mr. Humphrys: We operate water systems such as at Frobisher Bay and Fort Simpson in the Northwest Territories which are owned by the Department of Northern Affairs—Indian Affairs and Northern Development—and we operate them on a contract basis.

Mr. Smerchanski: Well, then, Mr. Chairman, this is the point I come up with. I think that we should also be supplied with information to find out what plants are owned by other departments so that there could be some unanimity in Mr. Nielsen's inquiry and certainly for my clarification that, in fact, the Northern Canada Power Commission does not own all these plants but they are acting as agencies in certain instances.

The Chairman: I wonder if we could ask the Commission if they could supply this and if that is the case we will...

Mr. Humphrys: No problem.

The Chairman: Mr. Orange has a supplementary here, I believe.

Mr. Orange: I just wanted to ask, Mr. Chairman, if the Power Commission has started in terms of regional or other power grids in the North. Have they developed any plans in this respect at all? Otherwise, equalization of rates, in any particular area?

Mr. MacDonald: First of all, as you know, Mr. Orange, we cannot think in terms of equalization of rates with the present statutory framework. The grids I think are nonexistent at the moment.

Mr. Humphrys: They are very limited, except in the Yukon.

Mr. MacDonald: In the Yukon, the transmission lines we have there. The problem in the North, you know, is the disparity, and they depend upon a very large source of hydro power being able to rise to meet some fairly large demand. Now, there is some middle-term possibility of that in the Yukon but none apparent at this moment, I think, in the Northwest Territories.

Mr. Humphrys: In the Northwest Territories the prime problem is transmission costs. It does not matter whether you have generating sites that give you power for virtually nil, but the cost of transmitting it over the distances involved in the Northwest Territories for the very small loads that are involved, the load just cannot support the transmission line.

Mr. Peters: Would you suggest that this 12 cents a kilowatt is a nil factor

Mr. MacDonald: Mr. Humphrys said that even if there was a hydro site that gave you theoretically nil cost, it could cost the transportation.

Mr. Nielsen: I think Mr. MacDonald unintentionally said something here that he did not mean to leave the Committee with. He referred to the transmission lines in the

Yukon, which the NCPC have in the Yukon, but they do not have any there now, in fact, do they?

Mr. Humphrys: Yes.

Mr. Nielsen: Where?

Mr. Humphrys: In Whitehorse. From Mayo to Keno, and also one building from Whitehorse to Avro.

Mr. Nielsen: Yes, but the majority of them are investor-owned, are they not?

Mr. Humphrys: Well, there is only one other one owned that runs from Whitehorse down to Carcross.

Mr. Nielsen: Is there not another one from Bear Creek to Dawson City?

Mr. Humphrys: Well, there was at one time.

Mr. Nielsen: Has that line been offered for sale to NCPC?

Mr. Humphrys: They have salvaged it. They took it down and sold the copper.

Mr. Nielsen: Was it not offered to NCPC for half the cost of salvage?

Mr. Humphrys: Not the whole line, no.

Mr. Nielsen: For $11,000.

• 1205

Mr. Humphrys: We retained a small portion of it to supply power to the airport beacon.

Mr. Nielsen: Was that line not offered to NCPC for $11,000?

Mr. Humphrys: Well, I will not deny that it was not. I cannot recall that it was, sir.

Mr. Nielsen: I have passed out, Mr. Chairman, Document No. 3 which is a table of comparison of the monthly rate schedules at Fort Simpson and Fort Smith, both of which are operated by NCPC and Yellowknife and Hay River, both on the residential and commercial rate for the latter two. At Yellowknife, of course, Plains Western are the distributors and NCPC are the producers. At Hay River, Northland Utilities both generate and distribute, and at Fort Simpson and Fort Smith, NCPC generates and distributes. Again, the disparity in the rate structures are quite evident. The fourth document I would like to pass out, if I may, is a comparison of Hay River rates with other northern communities. The Hay River rate which is an investor-owned utility, just to briefly give one comparison, works out for 300 kilowatts at $15.90 as compared with NCPC at Fort Simpson $18.45 and Fort Smith $11.26. In the lower bracket the disparity is even greater. In that same table there is a breakdown of general services for the same locations.

I have one last document I would like to table and I have only the one copy of it, so before passing it up to you, Mr. Chairman, it is a comparison of the rates as between the proposal that Yukon Electrical put to supply power to Dawson City prior to NCPC taking over that operation. The proposal of Yukon Electrical was to supply power for the first 40 kilowatts in Dawson at 12 cents; for the next 160 at 8 cents; and for the next 400 at 6 cents, and all in excess at 4 cents. The NCPC existing rates in Dawson are for the first 10, 20 cents; for the next 90, 12 cents; and for the next 100, 10 cents; and all in excess at 6 cents. So even the lowest NCPC rate now being charged in Dawson City is higher by almost half the rate of the proposal of Yukon Electrical. This table that I will be passing up also contains a comparison of the Watson Lake rates which are supplied by Yukon Electrical—the first 40, 8 cents: for the next 160 kilowatts, 6 cents: for the next 400, 4 cents; and for all in excess 3.5 cents. It is a location which NCPC had the opportunity of supplying and did not. I would suggest you do not reproduce the notes on that copy. Mr. Chairman.

The Chairman: We will table these and have them printed in the appendices.

Mr. Nielsen: I have several other questions on the NCPC, Mr. Chairman.

The Chairman: Would they fit in—I am sure there are further questions that will result when we come back to this.

Mr. Nielsen: Well, I am moving away from rates now. I know you are anxious to get on with the transportation end of it.

The first plant that NCPC established in the Yukon was Mayo. Is that correct, Mr. Humphrys?

Mr. Humphrys: Yes.

Mr. Nielsen: That was in 1958, was it?

Mr. Humphrys: In 1952, I think.

Mr. Nielsen: From that time until 1958, NCPC did not construct any other installations in the Yukon. Is that correct?

• 1210

Mr. Humphrys: Correct.

Mr. Nielsen: What was the situation with respect to the supplying of power to all of the other smaller communities, such as Dawson City, Haines Junction, Watson Lake, Carcross, Carmacks, Teslin, Destruction Bay, Beaver Creek, Old Crow, Keno City, Stewart Crossing, Ross River, and Pelly River Crossing, all of which are now supplied with power. Why did not NCPC go into those communities and supply power to them if their stated objective was as we heard?

Mr. Humphrys: I do not know what the stated objective was on that score, but it was not the Commission's policy at that time to move into local and small areas.

Mr. Nielsen: The Act was amended in 1948 to permit NCPC to do this and Mr. MacDonald said yesterday, according to the notes I took, that the demand minimum had to be 100 kilowatts—I do not know whether it was Mr. MacDonald or Mr. Humphrys—before NCPC was interested in going into these small communities. I took that to mean that was the economic criterion NCPC used before they would go into these communities to put in plants.

Mr. Humphrys: An economic criterion affecting when we would evince interest, you might say, but then it was only if we were requested to do so. The amendment of the Act only permitted us to build our plants in the Yukon; it did not compel us to.

Mr. Nielsen: Mr. Humphrys, I am sure you are aware that many times prior and subsequent to 1952 Dawson City requested someone to go in and supply power at less than the 25 cents a kilowatt they were paying until NCPC got there, and now it is 20.

Mr. Humphrys: We never received a request for it.

Mr. MacDonald: I cannot speak from knowledge, having just become Chairman for the last six months, but Mr. Humphrys . . .

Mr. Nielsen: But as the Deputy Minister of the Department I am sure you are aware of the many resolutions that were passed by the Yukon Territorial Council in that respect and the special study that was conducted there about three or four years ago.

Mr. Humphrys: Yes, sir. The purpose of the study, as I recall it, was to determine whether or not the operation as it then existed was, you might say, fair and equitable, but I do not recall any requests coming out of that that the Northern Canada Power Commission move in and take over.

Mr. Nielsen: In 1961, Mr. Humphrys, was it not your view that the Northern Canada Power Commission could not justify spending public funds in supplying power to Dawson City because of its uncertain future?

Mr. Humphrys: I never said that.

Mr. Nielsen: I did not suggest you did; I was just asking whether that was your view.

Mr. Humphrys: No, that would not be the situation as of that time; I would not express a view in that fashion. There were many other factors involved in the supply of power to Dawson as it existed at the time the YGCG operated.

Mr. Nielsen: In looking at your financial documents again, with respect to Dawson City specifically, Exhibit 5A, the total current assets in Dawson City are listed $251,955. I think I am reading that correctly. How many units in Dawson City are supplied in relation to that asset?

Mr. Humphrys: Do you mean power or consumers, or what?

Mr. Nielsen: Would there be 200 consumers?

Mr. Humphrys: Yes, roughly 200.

Mr. Nielsen: That would mean a per capita investment of $5,000, would it?

No, it would be more than that; it would be about $12,000 each.

Mr. Humphrys: I do not understand what. . .

Mr. Nielsen: The point I am trying to make is that in Dawson City the per capita investment is out of all proportion to the amount invested.

Mr. Humphrys: I will agree that the costs of supplying services in a place like Dawson are certainly high compared with other places.

• 1215

Mr. MacDonald: I am not sure what choice we have.

Mr. Nielsen: In 1964 did not Yukon Electrical Company make a proposal to supply power at the proposed rates that I have put to you in document V, I believe it is?

Mr. Humphrys: Yes.

Mr. Nielsen: They made that proposal to the Department–

Mr. Humphrys: Yes.

Mr. Nielsen: And those rates are, in fact, in the proposed rates that they made. They are, in fact, now lower than what the NCPC is charging by a substantial amount, are they not?

Mr. MacDonald: Those would be proposed rates. How do we know that they would in fact, have been the rates?

Mr. Nielsen: Did not Yukon Electric inform the Department at that time that it was willing to enter into a 20-year franchise with both the city of Dawson and the Territorial Government and stick to those rates?

Mr. MacDonald: Committing itself to those rates?

Mr. Nielsen: Yes.

Mr. MacDonald: That I would like to find out. I would be very surprised if any company committed itself to 20 years of rates in the light of rising costs.

Mr. Nielsen: Is it not a fact, Mr. MacDonald, that Yukon Electric has committed itself to rates in Whitehorse and in all the other franchises, Haines Junction—Mr. Humphrys knows of this, I am sure—and Watson Lake with the Territorial Government, committing itself to these rate structures?

Mr. MacDonald: Committing itself legally to not increase the rates?

Mr. Nielsen: Committing themselves to the rates that they proposed which are subject, of course, to control by the elected representatives of the people.

Mr. MacDonald: Not to increase them?

Mr. Nielsen: Subject to the control of the Territorial Council.

Mr. MacDonald: Yes, but not a commitment not to increase the rates.

Mr. Nielsen: Would it not be fair to say that since they have established power in all these communities that I have listed, they have not raised the rate in any single instance?

Mr. MacDonald: That I would have to establish.

Mr. Nielsen: Could Mr. Humphrys confirm that?

Mr. MacDonald: We have agreed to comment on the comparisons—

The Chairman: Mr. Nielsen, this again is part of your general exposition, arguing that private industry can do the job better than the Northern Canada Power Commission. I presume you are going to sum up your arguments when these documents are tabled and appear before the Committee in printed form and when we have answers from the Northern Canada Power Commission.

I wonder if I can ask your co-operation, Mr. Nielsen, so that we can finish this item today and pass on to the Northern Transportation Commission? I realize this is very important for the Yukon.

Mr. Nielsen: And the Northwest Territories.

The Chairman: And the Northwest Territories.

Mr. Orlikow: Mr. Chairman, on a question of procedure, I do not hide my general belief in public ownership, but at the same time if it can be demonstrated that private enterprise can do it better I am not that wedded to the principle of public ownership.

I think it is quite proper to ask the representatives of the company for detailed explanations of the operation, but it seems to me that the question of the principle of whether we should have public or private ownership is one that should not be discussed with the representatives of the company. I do not think that is their business. I think it is a question that should be discussed with the Minister.

The Chairman: It is purely a matter of government policy, I think.

Mr. MacDonald: We feel it is incumbent on us, we have a duty to respond to these figures with analysis.

Mr. Orlikow: Yes, I am not questioning that.

Mr. MacDonald: We will not debate the issue of public versus private ownership.

Mr. Nielsen: I will try to cut things down by vomiting all these question and then the officials can get the answers for them. All right?

What did NCPC pay to YCGC for the distribution system in Dawson City? What portion of the purchased assets were incorporated in the present system? What did NCPC pay Discovery Mines for three 250 kilowatt diesel electric units moved from Carmacks to Dawson? What were the costs to overhaul these units after they were moved to Dawson?

I would like, if possible, to have a written explanation, because of the delay in getting committee reports, at why no interest or depreciation has been charged against the Dawson operations. I would like to see in that reply, if it is not too inconvenient, your views at whether the omission to do so is not contrary to the Act.

• 1220

I would like some explanation with respect to the comparison of sales to net income which do not appear to bear any constant relationship. For example, in Mayo the sales were something over $300,000, only half those of Whitehorse, but the net income was $60,-000-odd, a loss compared to the Whitehorse income of $130,000-odd.

With respect to the occupation and the hook-up of Indian homes, in co-operation with Mr. MacDonald because of the interest displayed by the Committee at our last meeting, the Indian Affairs Branch might provide us with the total number of homes built in each of the communities which I will name, and perhaps Mr. Humphrys and his officials might confirm the number of electric power users in each of the locations which I will name.

At Carcross the total number of hook-ups, 69, and I am not aware of the number of Indian homes there or the number hooked up. At Carmacks a total number of 57 users of power with 10 Indian homes hooked up. At Haines Junction a total number of users of 79 with 12 Indian homes hooked up. At Watson Lake a total number of hook-ups of 202, with no count as to the Indian user. At Teslin a total number of 68 hook-ups with 11 Indian homes hooked up. At Destruction Bay and Burwash a total number of hook-ups of 39 with 15 Indian homes hooked up. Beaver Creek, a total of 25 with no count of Indian homes. At Old Crow, out of a total of 21 hook-ups, 12 of these are Indian users. Upper Liard, a total of 40 hook-ups, with 28 of these Indian users. Lower Post, a total of 14 with five Indian users. At Stewart Crossing a total of six with no count for the Indian users. At Pelly Crossing 38, with 18 Indian users. At Roos River 49, with 15 Indian users. At Keno City 45, with no count for the Indians.

Perhaps, Mr. Humphrys, you would not mind checking to see whether or not the offer was made to NCPC to sell the Bear Creek to Dawson city transmission line for half the cost of salvage value, or $11,000. Was that offer made to NCPC, and if it was not accepted I would like to know why.

I would like to know the number of homes heated electrically in the Yukon and the number of business establishments heated electrically in the Yukon, and there are some.

Mr. MacDonald: Mr. Chairman, I do not know that we would have that information.

Mr. Nielsen: Perhaps you could check my figures, then. There are four or five electrified homes and one business establishment electrified for heating purposes.

Mr. MacDonald: On a point there, Mr. Nielsen, we are not the distributors in Whitehorse which is the predominant...

Mr. Nielsen: Could that information be obtained?

Mr. MacDonald: We will endeavour to see if we can, but we would not necessarily have that to ourselves.

Mr. Nielsen: Yes. I would also like to know the cost of power being sulplied to those electric boilers in Whitehorse. I believe it is four and a half mills, less than half a cent. Why?

Mr. Humphrys: Because it is surplus power.

Mr. Nielsen: Surplus power?

Mr. Humphrys: Yes.

Mr. Nielsen: If that is the case, why is another unit deemed necessary in Whitehorse?

Mr. Humphrys: Because there will be a greater demand when the Anvil Mining Cor-

poration Limited load develops next year and that power may not be surplus all the time. But in any utility there is surplus power at certain times of the day and it is interruptible, recapturable power. There is no guarantee for it. Any revenue we get from that is of benefit to the system and helps to depress the prime rate for power.

Mr. Nielsen: I could never understand that explanation and perhaps you might test this argument when you do your analysis. Here is NCPC putting in another 8,000 kilowatt capacity in Whitehorse, and yet they still say they have surplus power to sell at half a cent.

• 1225

Mr. Humphrys: Yes. At certain hours of the day, certainly.

Mr. MacDonald: Every utility in the world has surplus power at all times, and if it does not it is in trouble.

Mr. Nielsen: All right then, perhaps. What is the reserve capacity normally set up in units such as Whitehorse or any other units?

Mr. Humphrys: The desirable thing is to have a reserve capacity equal to the capacity of the largest unit on the system. That is the classic system.

Mr. Nielsen: Yes. And does that reserve capacity exist without the new installation in Whitehorse?

Mr. Humphrys: No, not without the new installation.

Mr. Nielsen: And there is still surplus power?

Mr. MacDonald: There always is surplus power. You have got interruptible recoverable power.

Mr. Humphrys: You must think of this in terms of energy as well as power capacity. One is kilowatt hours and the other is kilowatts, which is an entirely different situation.

Mr. Nielsen: But if the boilers were not there, there would be no need to supply this surplus power at half a cent and it could be sold elsewhere.

Mr. Humphrys: There would be no revenue either.

Mr. Nielsen: If it were sold elsewhere would there not be revenue?

Mr. Humphrys: Who would buy it?

Mr. MacDonald: Who would buy it on that basis?

Mr. Nielsen: The same people that are going to buy the new 8,000 kilowatt installation at...

Mr. MacDonald: No, they must have firm power. That is firm power, sir. There is a big difference.

Mr. Nielsen: Those are the questions that I had for this morning. I do not want to prejudice my right to come back to NCPC. Before concluding, Mr. Chairman, could we have your assurance that they will in fact be back before the Committee to tidy things up?

The Chairman: I think we have general agreement here in the Committee, have we not, that we will stand this item until the figures are supplied and then we will bring it back some time between now and...

Some hon. Members: Agreed.

Mr. Peters: Mr. Chairman, I would like to have the Commission bring back a counter argument for the one Mr. Nielsen has advanced.

The Chairman: I understand, Mr. Peters, that this is what they have undertaken to do.

Mr. St. Pierre: Mr. Chairman, could we possibly have both Mr. Nielsen's questions and the Commission's answer in mimeographed form? It would be much better.

The Chairman: It will be part of the appendix to the...

Mr. St. Pierre: Mr. Nielsen's questions will be in the appendix, but if the Commission is bringing answers...

The Chairman: They will be in a form which will be capable of being tabled and I think we could ask them now to have enough copies available to distribute.

Mr. MacDonald: We will endeavour to submit it to the Clerk sufficiently ahead of time so that it can be distributed because obviously it will be a complex argument of analysis.

Mr. Nielsen: Would it be within the bounds of propriety to have the agreements that NCPC has with Yukon Electrical Company Limited and Plains Western Gas and Electric Company Limited and any other distribution

agreements produced so that we can have a look at them?

Mr. Humphrys: We have no agreement with the Yukon Electrical Company Limited.

Mr. Nielsen: Is there one with Plains Western Gas and Electric Company Limited?

Mr. Humphrys: There was at one time, but it just continues on.

Mr. Nielsen: Yes. It would be helpful if we could get copies of these agreements with the private distributors.

Mr. MacDonald: These are public documents. If they are extant today they could be made available.

Mr. Nielsen: It would certainly be helpful to me if I could have copies of these before our next meeting so that I can ask intelligent questions.

The Chairman: Yes, we will have copies of their reply to you before the next meeting, Mr. Nielsen.

Mr. Orlikow: Mr. Chairman, I would suggest you have them for everybody.

The Chairman: Yes.

Mr. Orlikow: There is not much use in coming to a meeting to look at something very detailed when you get it an hour before the meeting, or when you walk into the meeting.

The Chairman: Are members agreed, then, that we stand this item?

Some hon. Members: Agreed.

The Chairman: I would now like to call item L70 of the revised estimates relating to the Northern Transportation Company Limited. The witnesses' names are Mr. W. M. Gilchrist, President; Mr. R. C. Powell, Secretary; Mr. J. C. Orr, Treasurer; and Mr. W. B. Hunter, General Manager. Mr. Gilchrist, we are pleased to have you with us and I presume you are going to make an opening statement.

• 1230

Would members of the Committee agree to tabling the memorandum which has been submitted this morning on the Northern Transportation Company Limited? We will copies of it. Is it agreed?

Some hon. Members: Agreed.

Mr. Yewchuk: Mr. Chairman, I wonder if it make it an Appendix. You have all received would be possible to get this information two weeks in advance rather than presumably the night before, just in case some of us do not even get it because I do not have mine, unless it was put in the mail. We cannot do anything very useful getting this for the first time right now. I am very upset about this—the matter of handing our information the minute before we are to interview the witness.

The Chairman: That is a good point, Mr. Yewchuk. Unfortunately, so far in this Committee we have not had our schedule lined up that far in advance, and it has just not been possible, but it is a good point.

Mr. Yewchuk: It seems to me that our function here could be quite meaningless unless we are prepared to carry out the questions in the proper manner.

Mr. W. M. Gilchrist (President, Northern Transportation Company Limited): I might say in that regard we did not know that we were to appear here until Thursday of last week, I think it was. We had really less than a week to prepare anything for you.

In the instructions I received, the item that seemed to be of most interest was the $6 million loan that we requested this year as supplementary to our capital. I have a statement here regarding the reasons for that which is included in this memorandum. Also included in the memorandum is a brief outline of our history, development and so forth.

To read the entire brief here as presented would take some time. If it is acceptable I will just give you a brief outline of the Company, its function, its area of operation, its estimate of the future extent of its activity, and that will be all. Is this acceptable?

The Chairman: Yes.

Mr. Gilchrist: Well, as you perhaps know, certainly the people who are connected with the North or have experience in the North who are on the Committee know, we run the only barge or river transportation system in the Mackenzie basin and in the Central Arctic. We have two bases of operation, one at Waterways, and one at Hay River. The system is now pretty well split at Forth Smith. Before the railway got into Hay River everything had to go through Waterways, down the Athabasca, down the Slave, across Portage at

Smith, across Slave Lake and on down to the Mackenzie in the Arctic. With the railway into Hay River, anything down to the lower Mackenzie and on to Slave Lake goes through that way. There are a few items that may come the other way, but they are few, so that actually we have two divisions, the Athabasca division and the lower Mackenzie division.

• 1235

Over the years we have grown from what was in the early stages really a barge system, a river transportation system, designed to service the uranium mine on Bear Lake. When Gilbert Lebine formed or founded Eldorado and made the discovery and developed the mine at Port Radium on Bear Lake he was somewhat concerned about the dependability of the system that was then operating, so he developed his own. It is out of that system that Northern Transportation has developed.

When the Crown took over Eldorado Mining and Refining, now Eldorado Nuclear, in 1943 and 1944 along with it came Northern Transportation. Northern Transportation is wholly owned by Eldorado Nuclear. As time went on and the volume of freight grew, the Hudson's Bay Company which was also operating as a common carrier on the Mackenzie, asked Northern Transportation to take over their operation which they did in 1958. The second organization or the third organization, you might say, at that time which was Yellowknife Transportation Company Limited continued to operate until 1965 when it was absorbed by Northern Transportation as well. So now, as stated, Northern Transportation is the sole water transportation organization in the Mackenzie basin and along the Central Arctic coast.

Over the years the freight volume has fluctuated considerably. In the fifties it went up very markedly when the urnium mines in the Lake Athabasca area were developed, and then it decreased and now is on the upswing again due to oil and also renewed interest in the mining in the Athabasca area, and also in the Northwest Territories.

Before taking over Yellowknife Transportation and its subsidiaries, we handled approximately 120,000 to 130,000 tons of freight a year. When we took that over, that grew to about 170,000 to 180,000 tons in 1966 and it dropped back roughly to 164,000 tons in 1967. This year due to the discovery of oil in Alaska and the renewed activity in oil exploration in the Mackenzie Valley itself which is an offshoot of that discovery, we are now up to 200,000 tons. In fact, we will handle better than 200,000 tons in 1968. We do not know yet because all the returns are not in. We expect in 1969 to handle anywhere between 150,000 and 175,000 tons. This is why we have had to come back to the government and to the Department and ask for a supplementary estimate or at least an increase in our capital expenditures so that we could immediately proceed with the construction of the necessary equipment to handle this sudden increase in tonnage. We fully expect that in the coming year, even in 1970, it will be over 300,000 tons. In fact we are almost certain of it now, and beyond that I really do not know what is going to happen.

That is roughly the history, the present situation, and what we expect to happen in the future. I do not think there is much else. That is a pretty broad picture. There is a fantastic amount of detail that of course I have not touched on. But I think I better leave it at that point and let the Committee ask the questions and fill in their own picture as they see fit.

• 1240

The Chairman: Mr. Orange.

Mr. Orange: Mr. Gilchrist, at the outset, living in the area where you do most of your business, from time to time we get fairly hostile with N.T. Let me say personally that I think by and large N.T. is doing a good service in the North providing transportation. We have noticed your capital development in the last number of years, particularly in Hay River and Tuktoyaktuk and I think that by upgrading your system and some of the adjustments in rates that you have made in the last three or four years it has been helpful to people living in the North and depending on the river for their supplies. I have a couple of questions and the first is that because of the problems at the big lake, Slave Lake, breaking up in the spring and the Mackenzie River breaking up possibly one or two or three weeks earlier, depending on the season, have you any intention with the completion of the road to Fort Simpson of possibly extending your land line to Simpson in order that you may get an earlier breakaway period to go down river?

Mr. Gilchrist: We have not, if the freight was going to remain normal, that is, the development of freight. However, I think that

if the oil development on the Arctic Coast and perhaps in the mouth and at the estuary of the Mackenzie and on the Mackenzie lives up to its promise, we will have to give some consideration to this because of the problem of how the oil reaches market. I might state now that I have just come back last week from Dallas, Texas, where I talked to the people who are involved in this oil development. What I am saying now is my own opinion but there is going to be a pipeline and I believe ultimately there may be two. The first one I would think, and this again is my own opinion, will be to the southern Alaska Coast which is about 800 miles but the reserve as indicated is more than what can be absorbed along the West Coast and it would likely disrupt that marketing picture. Now, as any oilman will tell you, the developing market or the fastest growing market from the viewpoint of volume is in the Eastern and Midwestern States. Now, to get your oil there it does not take too much imagination as to the route it must come. You can let your imagination play with going around by tanker and all the rest of it but, in the matter of hard dollars and cents and in the volume that is indicated, the great circle route is straight down the Mackenzie. If we are faced with a development of that nature we are somehow going to have to get around the Providence—Fort Wrigley area because there are 40 miles in there that—to handle the volume of freight, the volume of goods that you would have to handle, because the moment that you are talking about a line from Prudhoe Bay to where it can hook into the system. Now all of it would not be. But you are talking of at least a million and a half tons of freight, and you are going to have to handle it within two years. Now, the speed with which we are going to have to handle this and the methods by which we are going to have to do it, we are not going to have the necessary area at Hay River, unfortunately. The other point is that we can extend our season by very nearly a month by going just slightly below Providence to Mills Lake or the Mills Lake Landing. We are on the river two weeks in the spring before Slave Lake opens up. We would have from five days to a week in the fall extra because we would not have to get our equipment back up through the rapids and out of the water at Hay River. Besides that we would have perhaps anywhere from four to seven days that is spent in waiting for the winds to subside on Slave Lake. When we are on the lake it is all right. There is no problem, but when we are trying to get a swing of barges—our boats are shallow draft—into Hay River in the narrow dredged channel or into the river, we have to have rather calm conditions, so when we total this up it means close to a month extra, and in the Arctic, on the coast, on the rivers, it is not days that we are worrying about really. We get down to hours on this.

• 1245

Now, if conditions were to remain as they are at the moment, yes, we can handle it through Hay River. We did this year, and we are going to have to buy up to give us the necessary room there, even to handle the increase foreseeable in the next two years. But if we are faced with this pipeline situation, and I am certain in my own mind we are going to be, then I think we are going to have to have a major look at the entire Mackenzie River. There are two points, even when you get below from Mills Lake down to the mouth, and one is the Sans Sault Rapids and the other is the Green Island Rapids. Green Island is not too much of a problem. The Sans Sault is not too much either, but we are going to have to get at it, and I am negotiating right now with the Department of Public Works and a few other people to see if we can speed up the situation there because, in the island we are going to have to handle swings down that river carrying anywhere up to 12,000 tons and we cannot stop. It has got to move because along the Arctic you have got 50 days; coming down the river, maybe four months.

• 1250

Mr. Orange: The water levels on the lake and the Mackenzie River have been very low this year. There has been some speculation that it might be Mr. Bennett's damn dam where he is holding back far more water than he originally anticipated. Have you any opinion of whether this is a factor in the low water level, because I know it affects your operation and it has created some serious problems for you this year?

Mr. Gilchrist: I do not think there is much doubt that it has; certainly it has affected the levels of the water. I am going to get into the argument about how much should be allowed to come down the Peace River and what is

coming down, but certainly they are running only three turbines at the moment and I think they are all that are going to be running for the next year. I was at the opening and a fantastic amount of water has to be accumulated before the other seven turbines come in.

I have no figures to show the amount of water the Peace River contributes to the flow in the Mackenzie River but I think it would certainly be 25 per cent or 30 per cent, so when you get a sudden drop or a maximum reduction in that flow you are going to be faced with quite a reduction in the main river. In addition to that, I think there has been somewhat of a drop in the precipitation over the area, so between the two we have had quite a problem this year and we are going to have a similar problem next year, I think. I cannot see much change.

There has been a marked drop in the level of the Great Slave Lake; also in the level of Lake Athabaska and the Mackenzie. We are hitting boulders and rocks where we have never had trouble before. In fact, we had one ship that almost—well, it did sink if it had not got to shore, and right in the centre of the river, and what did he hit? We did not know until one of the older employees said, "Well, the Hudson's Bay Company sank a ship there 20 years ago and it could be that", and I guess that is what it was.

Mr. Orange: I notice you have attached a list of names and hours and days worked for people hired locally in the Mackenzie. Unfortunately, you have included 1966. I say "unfortunately" because I get the impression that this has been a sort of "hot tomato" for you, but your record in 1967 and 1968 has been even more significant.

I am thinking, first of all, of Tuktoyaktuk where you moved your base from one side to the other so that one of the advantages was that the local people did not have to take boats to get to work every day. You have a policy in this regard but have you any comments on how successful it is? Is the Department of Northern Affairs co-operating with you in training programs for deck hands, for marine engineers?

The Chairman: You are referring to the employment of natives?

Mr. Orange: Yes.

Mr. Gilchrist: I might explain why that is 1966 because we made a study of this. Mr. Hunter signed that report, actually. We did not make the same study, or at least accumulate or, shall we say, bring in the one piece of paper, the same facts for 1967, because there was no marked change. There was some; it would be better, if anything, and we have not had an opportunity yet to do this for 1968.

But there has been, I think, and I think Mr. Hunter can confirm this, a very close co-operation with and quite a bit of help from the Department officials in this, and the number of native employees has not increased perhaps as rapidly as we would have liked, but you must remember that we operate in the same season up there when everybody else is hiring. If you have read this report it indicates that we have had difficulty in trying to interest the native population, perhaps due to the standard of education and so forth, in becoming navigators, mates and engineers. I am not too sure; I would like to have Mr. Hunter, perhaps, comment a bit on that.

• 1255

Mr. Hunter: Well, I think as you have said we have not had too much success, particularly along the Mackenzie, in establishing this phase of it, but this year at Tuktoyaktuk—I just ran off a quick figure before I left—47 per cent of our total employees were local employees. Probably it is one of the better areas, as Mr. Orange has mentioned, because of the fact that it is a little bit isolated. So far there are no liquor outlets and this is a big factor.

However, we still have difficulties. This year when our Arctic vessel got in to make its last trip the skipper had to go ashore and coax the deckhands to come back. They felt that was the end of the season and it was close enough and they were not anxious to go any farther; however, they did come back.

We have had fairly good success in hiring off-loading crews. I think we changed our operation a bit in the Arctic this year. We were able to drop barges at Coppermine and Cambridge, and some of these places, and had a local roving agent that would hire the local people to off-load during the absence of the vessel. This has worked out quite well and has been recommended again for next year.

The program that was instigated for sending some of the native people from the North out to Vancouver has not worked out too well as far as we are concerned. The three categories that I recall are instruction in deck work,

instruction in the engine room and instruction of boat building. The boat building instruction was conducted in wood and is not really suitable for our operations which involve steel equipment.

We hired a number of these other people and I do not believe one of them actually stayed for the season. We started some of them off; we will likely be starting them off again next spring on the same basis.

Mr. Orange: Does the Department have any program whereby it assigns one of its officers to work with you so that when the situation of a young man's deciding to go back to Fort Providence or some place arises he can be counselled, he can be talked with?

Mr. Hunter: Yes, I think they have combined the operation, actually, under Manpower, and I know that at Hay River, for instance, we had very good co-operation. When we would ask him for a replacement he would check Fort Providence and Fort Smith. One thing we did find was that we had very good results from the students from the Fort Smith area. We feel that they are taking an interest in it.

Mr. Orange: In effect, there really is no one either from Manpower or Indian Affairs who has the specific responsibility that when you lose a man to at least talk to this guy and find out what is bugging him. I do not think it is your responsibility.

Mr. Hunter: No, but I was under the impression that they are trying to find out now what bothers them and set this up for future correction, if possible.

Mr. Orlikow: Mr. Chairman, I think the question which Mr. Orange raised is a very important one, and to look at these different places, of course, it is not always easy to know how much work there was.

For example, I am looking at the sheet that starts with Hay River and some people worked—well, here is one man who worked three and a half months and there are other people who worked 2 days, 3 days and 5 days. A person who only works two or three days if there is more work—it is really of not much use, Mr. Chairman. He does not make enough money so he can get off welfare, and it seems to me that in the light of the particular problems with these people it would be worth while if either Manpower or the Department or somebody had some community development people who could work with these people to try encourage a much more...

• 1300

The Chairman: Mr. Orlikow, probably Mr. MacDonald could answer that question if he were here. Can you answer it, Mr. Hunter?

Mr. Hunter: No, I would like to add just a comment to it, though. While you say they have only worked two days, it may be chap's own fault. We have work available there for anywhere from five to six months.

Mr. Orlikow: I am not being critical of you. Precisely the point I am trying to make is that very often, as I understand it, there are people who have not worked before. They do not know our work habits, they do not know our work customs, they do not know that you have to come to work every day.

Mr. Hunter: You are quite correct.

Mr. Orlikow: I am suggesting that somebody—not necessarily from your company which has the job of moving all this freight—possibly from the Manpower Department who has had experience in working with native people should be there to encourage much more permanent work.

On the last page for example, Mr. Chairman, you get down not to days of work—this is Fort McPherson and it may be a very quick operation such as one unloading. I do not know—but really, if a person works two and three hours and that is all, what is the purpose? As I, say maybe the boat just docked there once and they unloaded.

Mr. Hunter: The tonnage going into Fort McPherson is very small compared with a number of these other places. However, this was a complete analysis of natives and residents employed at these various places. Sometimes we had no more work available for them.

Mr. Orlikow: If that is the case it is an entirely different situation than that at Hay River where there was a lot of work. It seems to me, Mr. Chairman, that we should try to encourage as much permanent employment as possible so that people can live as a result without going on welfare.

Mr. Gilchrist: Mr. Chairman, I would like to add a statement here. This is outside this particular area but I think it is relevant to what you are saying. What I am really

demonstrating here is that the process of these people actually developing to the point where they can and are able and willing to take permanent jobs is increasing, but it is slow. I think you bring out even a greater effort and perhaps the results would actually be better if there were, shall we say, greater numbers of social workers in the area to do just exactly what you are suggesting. We cannot really do it because it is a full-time job. You have to get to know these people, their habits, their views and their whole psychological approach to industry as it is now developed, and appreciate the fantastic change which must come about between their existence of 20 years ago and what their existence is going to be if they are employed in an industrial complex. By the way, this is of interest to me because my father was a farming instructor and an Indian agent in Saskatchewan for 20 years.

• 1305

The Chairman: Mr. O'Connell indicated earlier that he wanted to ask a question.

Mr. O'Connell: Mr. Chairman, I notice the hour and I have about four questions. I think these questions will receive short answers. If you like, I will ask them all.

The Chairman: Mr. Simpson also indicated that he had a question which he wanted to ask. Perhaps if Mr. Simpson could ask his supplementary you could leave yours until later.

Mr. O'Connell: Well, Mr. Simpson, you go ahead.

Mr. Simpson: Part of my question has already been answered by Mr. Gilchrist. It is in relation to these very large numbers of employees who have worked a very short period of time. You mentioned certain clean-up jobs in the spring and I suppose there are some in the fall. I do not know the operation to any extent but I suppose there is the work in the fall of putting the ships up on shore, or whatever is done with them. Would it be fair to say that a goodly proportion of those people whose employment is shown merely in hours would be on this type of work? This is probably difficult to answer but...

Mr. W. B. Hunter (General Manager of NTCL, Edmonton): No, I can answer. It is mainly where you pull in with a few tons for off-loading at this point, and they are hired locally to do this work in conjunction with the deck crew. That is mainly the small-hour jobs.

Mr. Simpson: The general picture does not show that a great percentage of the native people that you hire only work that long regardless of whether work is available or not.

Mr. Hunter: The only place we can get a complete picture of this is Waterways, Hay River and Tuk, because they are terminal points where you have steady employment for them if they are willing to stay.

Mr. Gilchrist: I think your question was that it does not indicate unreliability completely. No.

Mr. Simpson: No. One further question in regard to employment of people from the North. I notice you mention that it is sometimes difficult to get them to go to the West Coast to build up further hours in relation to becoming a first mate. What liaison has the Northern Transportation Company with shipping outfits, for instance, at Vancouver, or do you have any? Have you places that you can automatically put these employees into?

Mr. Hunter: No. As it is also mentioned in there, the unlicenced personnel come under the SIU. They are members of the SIU so they could go through the hiring halls out there. We have no liaison because we would have no control over putting them on.

Mr. O'Connell: Mr. Chairman, the first question I would like to put is this. I have noticed that the Northern Transportation Company—and this is absolutely new to me—is pretty largely confined to water transport, and I wanted to ask if in view of the development of the Mackenzie and the Yellowknife highways your transportation company, which is a common carrier, is prepared to or has considered going into road transport to provide greater service to the communities in that area?

Mr. Gilchrist: That is now under really active consideration.

Mr. O'Connell: I am glad to hear that because I notice yo uare i na nextremely strong financial position. I do not know whether to congratulate you on that or to ask whether it is partly related to services not yet extended. One does not find balance sheets that look much better than this.

Mr. St. Pierre: Mr. Chairman, a supplementary to this while we are on the point. Are you considering going into ice road construction—that is, snow roads—of six to eight weeks duration?

Mr. Gilchrist: If we went into surface—that is, land transportation—trucking I think going into ice roads, and so forth, would actually be a spin-off from that, depending on the circumstances.

• 1310

Mr. O'Connell: That was really my second question. What kinds of winter service are being supplied? I ask that question for the same reason I think that Mr. St. Pierre asked it. I assume it is to give a more continuous service to communities and also to provide another opportunity for employment to the native people, which might tend to stabilize their relationships with the company. I would be very interested in knowing whether you have track vehicles, and that sort of thing. For example, on Great Slave Lake you are servicing seven or eight communities in the summer by water. I wonder what sort of transportation services those communities have in the winter and whether it is feasible for this company to extend it to them.

I also have a question on housing. I notice that you have set aside some capital expenditures for housing improvement. I think it suggests they are at Tuk. It is not too clear. I wonder just how you fit into housing. How many native people are involved in the housing you provide and also whether in the installations at Tuk, where you say you have provided some housing, any native people were expropriated or were required to move when your installations were put in there.

Mr. Gilchrist: No. No one was required to move at Tuk when we put the installation in there.

Mr. O'Connell: Right. I would like to extend my questions a bit on the housing, but I will leave it for the time being. The other point is the same point I made in connection with Northern Canada Power Commission. Looking at the board of directors and asking myself whether a different composition of the board might be appropriate in the sense that this is a public...

The Chairman: Is that the latest one?

Mr. O'Connell: Yes. I have it right in front of me. There are eight members of the board. They are largely drawn from the industrial side of the public. There is the iron ore company in Eldorado, which is perfectly understandable. There is a man who is retired in Victoria, B.C. There is a legal man in Edmonton, which I think is very proper. There is one representative of the Northwest Territories and there is a member of a mining exploration company. When one looks at the source of revenues which are provided in the brief that we received this morning one finds that 56 per cent of revenues come from the public, as it is described here, 18 per cent is provided by Eldorado, 15 per cent by the DEW Line and 11 per cent by government departments. It just seemed to me that, one, from the viewpoint of bringing the public generally into the picture more with respect to potential services that might be developed and, two, from the very fact that the public is providing such a large share of the revenues, and this being a Crown corporation, I think it would be appropriate if we perhaps saw more members from the public generally and perhaps they could be nominated by the Northwest Territories Council. I would like to suggest in that context that one of the added directors—if indeed they are added—is a native person, perhaps an Eskimo. There are precedents for that in other utility systems in the country and surely that person would have some counsel to give to the Board with respect to native employment and the provision of services to native communities and the public in general, and it would recognize the position of the native population in the public being served.

• 1315

Mr. Gilchrist: Yes, I would suggest, if I may, that the Cabinet through the minister—in this case the Minister of Indian Affairs and Northern Development—have sole responsibility for the appointment of the directors. Your suggestion is very well taken; I think it is quite constructive. Now that we have reached this particular stage in our development, when the opportunity arises I would suggest that you discuss that with the Minister.

The Chairman: I will ask the Clerk to make a note of this, Mr. O'Connell, so that at one of our subsequent Steering Committee meetings we can, perhaps, formulate a recommenda-

tion and then bring it back to the Committee later. Mr. O'Connell, I think you have more questions.

Mr. O'Connell: No, I am finished, but I do not know whether I got all my answers.

The Chairman: Mr. Smerchanski and Mr. St. Pierre are both on my list here.

Mr. Gilchrist: I do not think you got the answer regarding housing.

Mr. O'Connell: Or the winter transport.

Mr. Gilchrist: The winter transport, yes. Well, the winter transport cost would be prohibitive in the movement to those small communities in winter. It would be better to do it, and it is being done, by plane. Again, this matter of ground transportation is being very closely and very actively considered as far as an added activity for Northern Transportation.

As to housing, we have no native housing except as provided for natives in the, shall we say, single-man quarters—bunkhouses and so forth. We are providing housing for our agents and for our senior supervisors, actually, at various points because the agents, for instance, are in there for five to six months at a time. To keep our people, we now take their families in for that time; so we are providing that kind of accommodation and we, of course, provide bunkhouse accommodation and the native is accommodated there when he is out in the field unless he has his own home locally.

Mr. O'Connell: Do you provide the capital funds, or does Central Mortgage and Housing Corporation provide them?

Mr. Gilchrist: We provide the capital funds. We have found in trying to deal with Central Mortgage and Housing on this, that we are further ahead to do it ourselves.

The Chairman: A supplementary, Mr. Simpson?

Mr. Simpson: Mr. Chairman, far be it from me to suggest that we should stop our questioning, but I do not think we are going to get through with this today. In view of the fact that Dr. Yewchuk indicated that he had some interesting...

The Chairman: I am hoping that perhaps we could get through the item.

Mr. Smerchanski: My question is very short. I would like to find out roughly what percentage of freight is handled from Waterways to Hay River as compared from Hay River to the mouth of the Mackenzie.

Mr. Hunter: I do not quite get your question.

Mr. Smerchanski: In other words, the amount of volume you move from Waterways up to the Hay River and then what originates at Hay River up to the mouth of the Mackenzie.

Mr. Hunter: We do not move any from Waterways to Hay River *per se*. Waterways supplies the Lake Athabasca area on the south, and Hay River supplies from Great Slave Lake north.

Mr. Smerchanski: So, in other words, material taken up into the mouth of the Mackenzie originates in Hay River.

Mr. Hunter: That is right.

Mr. Smerchanski: What percentage of your total operation, in terms of the tonnages as projected—200,000 for 1968—is represented from Waterways up into the lower portion?

Mr. Hunter: Fifty thousand tons, about 25 per cent, and out of the balance approximately another 25 to 30 per cent originates at Norman Wells from oil products.

Mr. Smerchanski: I see.

Mr. Cullen: Excuse me, Mr. Chairman. Again, I am with Mr. Simpson here, but if Dr. Yewchuk has questions then obviously Mr. Smerchanski—I do not know whether Mr. Peters has any—are we going to have to come back? I do not want to cut it off either but...

Mr. Smerchanski: Mr. Chairman, I am wrapping it up. The other thing is that I simply want to compliment Northern Transportation for the excellent work they are doing in that area. I only wish that all other Crown company operations could equal the same kind of financial statement and the reputation they have built up in that section of the country.

• 1320

The Chairman: I wonder if I could have the feeling of the Committee on this now. Would you be prepared to come back tomorrow morning at 9.30 for a meeting?

Mr. St. Pierre: How many more questioners are there?

The Chairman: Well, we have you on the list, Mr. St. Pierre, and Mr. Yewchuk indicated he had a question; I do not know if he really did indicate that he had a question.

Mr. Smerchanski: No he did not. He said that he was annoyed because he did not get an opportunity to study the brief because of the shortness of delivery.

Mr. Simpson: A feeling which is corroborated by others. I felt that we would like to have some time to look it over and I felt that there would probably be further questioning. I did not think we were going to get through today.

The Chairman: I did not either, at the start.

Mr. Smerchanski: With a small amount of questioning, I think we can wind it up, and why put all these gentlemen to the trouble of coming back tomorrow?

The Chairman: I will leave it to the opposition here, Mr. Simpson and Mr. Peters, if they want to come back tomorrow or if they want to come back at another meeting. I will leave it to you people.

Mr. Simpson: I am wondering whether it would not be convenient to have these gentlemen back again at some other time, later on in our Committee meetings, or is that possible? We are going to have the Northern Power Commission people back later on.

The Chairman: Well, we are running into a time problem.

Mr. Smerchanski: Mr. Chairman, as a suggestion, why not leave this to be decided at our next Committee meeting? If the feeling of the majority of the members varies that we should have these people back, why not make a decision at that time?

Mr. Simpson: That is fine with me.

Mr. St. Pierre: May I have a few minutes, Mr. Chairman?

The Chairman: All right.

Mr. St. Pierre: I do not think it will take any longer than that. Mr. Gilchrist, in regard to the vital importance of getting as many days in your season as you can, there are some very interesting experiments going on in new developments in ice-breaking equipment. There was one which went into the Eastern Arctic mounted on the front of a barge about two or three months ago which appears to be working, and there are other experiments scheduled for this fall. Are you interested in this? Have you been following it and can you tell the Committee about it?

Mr. Gilchrist: We have been following it. We are not financially interested in it, but I have had many discussions with Scott-Alexander who is at the head of this thing, and also with some of the officials of the company that is now taking over—I think it is known as Panarctic. From our particular operation, at its present stage of development it might not be too applicable as far as we are concerned; but I think it has possibility.

By the way, the amount of actual work that has been done on ice research is minimal. It is just now that they have really got into it, where not too much had been done in the past. This Alexbow development is an extremely interesting one. From the viewpoint of the engineering involved, it is sound. It is a new concept, actually, as you well know, of handling ice. In other words, you lift it up instead of trying to climb over it. From this point of view I think it is extremely attractive, but to work it into our operation at the moment, I think there have to be refinements and much more work done on it.

Mr. St. Pierre: Thank you, Mr. Chairman.

Mr. Peters: Could I ask one supplementary?

The Chairman: Yes.

Mr. Peters: Who services the DEW line, and how?

Mr. Gilchrist: We service the water, anything that is moved by water, in the midsection from the Alaska-Yukon border to the peninsula at Shepherd Bay. We do that right across the central part.

Mr. Peters: That is not all on water, though.

Mr. Gilchrist: Practically all the stations in that area are within three or four miles of water.

The Chairman: Gentlemen, I would like to point out one other fact to the Committee. One or two of our guests here today are from the West; Mr. Hunter is. Perhaps if we can-

not agree to pass the item today, we could agree that if we call the witnesses back, we will have only Mr. Gilchrist.

• 1325

Mr. Simpson: I certainly do not want to have to call people back unnecessarily. I think one point that Mr. Gilchrist made was that one of the big things facing the company at this time is the provision of this ocean-going vessel and I am sure that I would have a few questions of interest to ask on that, and I thought that possibly many others would because this is an expenditure of some $6 or $8 million.

Mr. Gilchrist: Well, now, this will only involve about $2,500,000, and I might state at this time that that particular part of our submission is pretty well a reproduction of the memorandum to Cabinet that we made at that time. I mention in there the fact that our decision regarding the ocean-going vessel might be subject to change due to the developments in the oil. And that has come about, so we are almost certain now that we will not be going for the ocean-going vessel as conceived at that moment. It will be an ocean-going tug which will be a replica, or similar to, almost the same as the two we are now building which are capable of some deepwater work, because the centre of gravity of the activity, shall we say, is going to be at the mouth of the Mackenzie and to the east. If we have a vessel that can relieve to some extent the work to the east of the Mackenzie and at the same time operate on the river and to the west of the Mackenzie, I think we can provide a more efficient service rather than going for a deepwater vessel as we conceived it at that moment. This is our thinking. The cost will not be much different because we will be building barges as well.

Mr. Simpson: Am I correct in assuming that you service a copper mine down the coast?

Mr. Gilchrist: Yes.

Mr. Simpson: Would this be similar to the type of vessel that you use on that operation? Are these things transshipped, say, at Tuktoyaktuk?

Mr. Gilchrist: There is a transfer of freight at Tuktoyaktuk as it stands now for quite a proportion of the freight going to the east because we are in deep-water conditions and we have a broad route there. We also have the LST which is on loan from the U.S. Navy.

But we are finding now as we develop, just as Mr. Hunter has explained, that a barge system with towing barges and tugs may be the best because we can drop the barge, it can be unloaded, and if you have two or three with you, you can go on and that barge is being unloaded while you are delivering another one or perhaps picking up an empty at another point; whereas if you have the complete vessel as in the case of the *Broderick* and the *Banksland* that we have now, your whole crew, your whole power unit is tied up while the loading and unloading are taking place.

If you can drop your barge and go on with your moving and delivering of freight, you are getting a greater utility out of your actual power unit.

This is changing our thinking and we want a unit, as these two tugs that we are now building, that can work to quite an extent in deep water under ocean conditions and also in the shallow waters near the shore and in the river.

The Chairman: Shall we try to pass the item or not?

Mr. Simpson: In view of the fact that I understand the steering committee is going to give consideration to the very good suggestion of Mr. MacDonald's about composition of the board, I would suggest that if we do not complete it today we do so with the understanding that we will not require people to come back to Ottawa. We would like to have Mr. Gilchrist come before us again on this subject, though, and we could keep it open for that.

The Chairman: All right, fine. It is agreeable to the Committee that we stand it?

Some hon. Members: Agreed.

The Chairman: Do we have a motion to adjourn until next Thursday at 11 o'clock?

Some hon. Members: Agreed.

APPENDIX B

I—COMPARISON OF REVENUE AND FUEL COSTS FOR THE YEAR 1965-1966

Location	Capacity	KWH Gen. × 1000	KWH Sold × 1000	Revenue $	Fuel Cost ¢/KWH Gen.	Revenue ¢/KWH Sold
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	56,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

APPENDIX C

II—RATE COMPARISON
(Small Diesel Plants)

	Monthly Bill				
	25 KWH	50 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$
Residential					
Fort Resolution (NCPC)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (Canadian Utilities, Ltd)	3.50	6.40	10.40	14.40	24.40
Haines Junction-Teslin—Destruction Bay-Beaver Creek (Yukon Electrical)	4.00	7.40	12.40	17.40	30.40
Wabasca (Northland Utilities Ltd.)	3.50	6.40	10.40	14.40	24.40

	Monthly Bill		
	200 KWH	400 KWH	800 KWH
	$	$	$
Commercial (4 KWH Load)			
Fort Resolution (NCPC)	32.40	64.40	128.40
Fort Chipewyan (Canadian Utilities, Ltd)	24.00	40.00	72.00
Haines Junction-Teslin—Destruction Bay-Beaver Creek (Yukon Electrical)	28.50	48.50	80.50
Wabasca (Northland Utilities Limited)	24.00	40.00	72.00

APPENDIX D

MONTHLY RATE SCHEDULES

Fort Simpson—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 8.88¢
Over 75 KWH at 5.55¢
Discount 10% for p.p.

General Service:
1 to 20 KWH at $3.33 (min)
Over 20 KWH at 8.88¢
Discount 10% for p.p.

Forth Smith—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 6.0¢
76 to 200 KWH at 3.33¢
201 to 500 KWH at 2.22¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

General Service:
1 to 20 KWH at $3.33 (min)
21 to 100 KWH at 6.0¢
101 to 500 KWH at 4.44¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

Yellowknife—Residential:
First 25 KWH at 1.25
Next 25 KWH at 4.2¢
Next 50 KWH at 2.4¢
All over 100 at 1.7¢
Min. $2.00

Water heating (separate meter)
All KWH used at 1.3¢/KWH
Min. charge $2.00

Commercial:
D.C. each .5 KW at $1.75
25 KWH/.5 KW included in D.C.
Next 50 KWH/.5 KW at 3.0¢
Next 7500 KWH at 2.7¢
Excess -2.3¢

Power:
D.C. $1.00 per KW
Up to 20,000 KWH at 3.75¢
Excess KWH at 2.75¢

Hay River—Residential, Rate 115:
First 10 KWH $2.50 (min)
Next 20 KWH at 8.0¢
Next 50 KWH at 6.0¢
Excess KWH at 4.0¢

Gen. Serv. Over 20 KW Rate 331:
D.C. each KW at $2.00
First 100 KWH/KW at 5.25¢
Next 200 KWH/KW at 4.25¢
Excess KWH used at 3.25¢

General Service Rate 206:
D.C. first KW at $2.00 add'l at 50¢
First 50 KWH/KW at 10.0¢
Next 50 KWH/KW at 7.0¢
Excess KWH at 5.0¢
Min $3.50

General Service Rate 210:
D.C. $1.00/KW
First 30 KWH/KW at 8.0¢
Next 30 KWH/KW at 6.0¢
Next 40 KWH/KW at 5.0¢
Excess KWH at 4.0¢

APPENDIX E

December 28, 1967.

COMPARISON OF HAY RIVER RATES WITH OTHER NORTH COMMUNITIES

	10 KWH	25 KWH	55 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$	$
Residential						
Hay River	2.50	3.70	5.60	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

General Service		H. River	Ft. Simp.	Ft. Smith	Y'Knife	W.H.
		$	$	$	$	$
Load	KWH					
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

APPENDIX F

DAWSON CITY

Y. E. Co. Proposed Rates Residential	N.C.P.C. Existing Rates Residential	Watson Lake Rates Residential
First 40 KWH at 12.0¢/KWH Next 160 KWH at 8.0¢/KWH Next 400 KWH at 6.0¢/KWH Excess KWH at 4.0¢/KWH Minimum $2.50	First 10 KWH at 20¢/KWH Next 90 KWH at 12¢/KWH Next 100 KWH at 10¢/KWH Excess KWH at 6¢/KWH Minimum $2.00	First 40 KWH at 8.0¢/KWH Next 160 KWH at 6.0¢/KWH Next 400 KWH at 4.0¢/KWH Excess KWH at 3.5¢/KWH Minimum $2.50
Commercial and General Service Demand Charge	**Commercial and General**	**Commercial and General Demand Charge**
First 1 KW—$1.50 Add'l. KW—$ .50	Nil	First 1 KW—$1.50 Add'l. KW—$ .50
Energy Charge	**Energy Charge**	**Energy Charge**
First 50 KWH/KW used–12.0¢/KWH Next 50 KWH/KW used–10 ¢/KWH Excess KWH/KW used– 6.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50	First 20 KWH at 20.0¢/KWH Next 80 KWH at 15.0¢/KWH Next 200 KWH at 12.0¢/KWH Next 700 KWH at 10.0¢/KWH Excess KWH at 8.0¢/KWH *Minimum*—$4.00	First 50 KWH/KW at 12.0¢/KWH Next 200 KWH/KW at 10.0¢/KWH Excess KWH at 5.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50

APPENDIX G

A MEMORANDUM ON NORTHERN TRANSPORTATION CO. LTD.

ORIGIN AND CORPORATE STRUCTURE

Northern Transportation Company Limited was not created by the Canadian Government. It began as a small private enterprise Company in 1931; was acquired by Eldorado Gold Mines Limited (now Eldorado Nuclear Limited) in 1936 to assure continuing service for that Company's mine on Great Bear Lake. It has always operated as a common carrier. When Eldorado was expropriated in 1944, the shares of NTCL were among the assets acquired, and in 1949 the Company in its own right was declared to be a Crown Company, i.e., one to which the Government Companies Operation Act applied. As a proprietary corporation listed in the Financial Administration Act, NTCL is a Company which is "responsible for the management of commercial and industrial operations involving the—supplying of services to the public and which is ordinarily required to conduct its operations without appropriations".

The Company's Board of Directors is as follows:

W. J. Bennett, President, Iron Ore Company of Canada, Montreal, P..Q

A. B. Caywood, Retired, Victoria, B.C.

C. S. Cosulich, President, Rivtow Marine Limited, Vancouver, B.C.

W. M. Gilchrist, President, Eldorado, Ottawa, Ontario

W. B. Hunter, General Manager of NTCL, Edmonton

P. L. P. Macdonnell, partner in the legal firm of Milner & Steer, Edmonton, Alberta

J. H. Parker, Deputy Commissioner of the Northwest Territories, Yellowknife, N.W.T.

M. Watts, President, PCE Explorations Limited, Toronto, Ontario.

Board meetings are held on average four times a year. Capital expenditure budgets are laid before Parliament after approval by Privy Council.

Officers of the Company are:

W. M. Gilchrist—President
R. C. Powell—Secretary
J. C. Orr—Treasurer
W. B. Hunter—General Manager

It is the practice of the President to confer with the responsible Minister of Indian Affairs and Northern Development, on matters of major policy prior to their consideration by the Board, and a minute of each Board meeting is submitted to the Minister.

The Auditor-General performs the audit of the Company's records. An Annual Report is issued by March 31st of each year. All of the Company's issued shares are owned by Eldorado Nuclear Limited, whose shares in turn are held by a Minister of the Crown in Trust for Her Majesty in Right of Canada.

SERVICE PROVIDED BY NTCL AND HOW THESE SERVICES ARE PERFORMED

NTCL serves the entire length of the Mackenzie River system from Waterways, Alberta to Tuktoyaktuk on the Arctic coast, a distance of 1,700 miles as well as about 1,100 miles of branch routes, including Great Bear Lake, Great Slave Lake (Yellowknife) and Lake Athabasca (Uranium City). It also serves the Central Artic coast east and west of the mouth of the Mackenzie River and the lower Arctic islands.

In 1957 at the request of the Hudsons's Bay Company, NTCL took over the Mackenzie River operations of that Company. Under the same circumstances, NTCL took over the HBC Western Arctic operations in 1963. In 1965 following negotiations initiated by Yellowknife Transportation Company Limited which operated on the lower Mackenzie, and by Arctic Shipping Limited which operated in the Western Arctic, NTCL purchased these companies and integrated the operations. NTCL is now the only operator providing any significant service to the public in the areas described above. NTCL's Mackenzie Valley operations are subject to the rules and regulations of the Canadian Transportation Commission.

Apart from its purely commercial operation, NTCL has since 1955 provided an "at cost" service in the Arctic between the Alaska border and Spence Bay, in resupplying DEW Line sites pursuant to an agreement

between the Governments of Canada and the United States of America.

NTCL has permanent shore installations and agencies at Waterways and Fort Fitzgerald, Alberta; Bell Rock (Fort Smith), Hay River, Yellowknife, Bear River, Norman Wells, Inuvik and Tuktoyaktuk in the Northwest Territories; and Bushell in Saskatchewan to serve the Uranium City area. The Company has its administrative offices in Edmonton and its Head Office in Ottawa.

In the 1969 season, including 2 tugs and 12 barges now on order, the floating equipment will consist of 19 diesel powered steel tugs, 120 steel barges and 3 deep-sea vessels. Capital expenditures totalling more than $19 million have been made in the past 21 years, all financed out of earnings.

The Company has made a profit of 22 of the 25 years of Crown ownership. Its total profit after provision for income tax has been $2.2 million over the past 9 years since 1960, an average per year of $244,000. Gross revenues since 1960 have average $3,534,889 per year, including the 1968 estimated revenue of $5.5 million, the highest in history. The distribution of revenues has been opproximately as follows:

Eldorado freight	18%
Government Departments	11%
The public	56%
DEW Line	15%

There are geographical and climatic conditions which NTCL must meet which make the operation unique in North America.

NTCL must, in effect, maintain two sets of equipment in the Mackenzie System because the rapids at Fort Smith prevent interchange of vessels between the Lower and Upper sectors of the system. Also, one vessel is permanently confined to Great Bear Lake because it cannot be taken out through the rapids of the Bear River.

Wide variance in water levels, ice, violent storms on the lakes, and other conditions make it necessary to have vessels of special design. Sometimes low water levels reduce cargo-carrying capacity by as much as 65%.

NTCL contends with severe climatic handicaps, operating exclusively in an area between the 55th and 70th latitudes. As a rule, shipping out of Waterways does not begin before mid-May and out of Hay River before mid-June; Lake Athabasca seldom can be crossed before June 1; Great Slave before mid-June; and Great Bear before mid-July. Freeze-up usually closes navigation on Great Bear and the Lower Mackenzie late in September, and on the Slave and Athabasca Rivers between Oct. 1-15.

EMPLOYMENT PRACTICES AND PAYROLLS

It has long been the policy of NTCL to give preference—to the maximum degree that it is practical—in employment of persons resident in the areas it serves. There are several limiting factors, not the least of which is that during the relatively brief shipping season there is often a shortage of suitable personnel in the North. Many of the crew members, administrative personnel, those who repair ships, and men with specialized trades, have to be brought in, in most instances.

Employment statistics show the number of employees at the peak of operations in each year, with those engaged in Arctic operations included in the totals but indicate in brackets:

	Employees at Peak	Total Payroll
1960	545 (150)	$ 1,670,806
1961	440 (163)	1,485,887
1962	410 (152)	1,392,484
1963	440 (149)	1,528,229
1964	450 (150)	1,693,112
1965	530 (167)	2,086,111
1966	540 (152)	2,183,912
1967	490 (150)	2,032,130

Licensed personnel on NTCL vessels are represented by the Canadian Merchant Service Guild.

Unlicensed personnel except in the Arctic operation, and apart from casual labour, are represented by the Seafarers' International Union.

A separate presentation accompanying this Memorandum deals with NTCL's practices in the employment of local labour.

THE FUTURE—INCREASING TONNAGES, THE EQUIPMENT REQUIRED, AND HOW TO FINANCE IT.

(See separate memorandum attached)

THE NEED FOR A SHORT-TERM $6 MILLION LOAN FROM THE CONSOLIDATED REVENUE FUND, BASED UPON A PROTECTION OF INCREASED TONNAGES TO BE HANDLED

BACKGROUND

1. Northern Transportation Company Limited is the only organization operating a water

transportation system on the Mackenzie River system and along the Central Arctic coast and to the lower Arctic islands on a regular basis, and which is presently capable of providing the water transportation capacity required.

2. There has been a gradual and continuing increase in the quantities of basic goods such as fuel oil, building materials, etc., transported annually, and a further increase due to oil and other mineral exploration and development has been expected, and some reserve capacity provided; however, the impetus given to oil exploration in the area by the recent discovery of large oil pools on the north coast of Alaska has increased activity far beyond that which could be normally foreseen, and the 25% reserve capacity that existed at the beginning of 1968 has been utilized to the full and a further large increase in tonnage is expected in 1969.

3. In relation to the total volume of goods moved in Canada, the tonnage shipped over the Mackenzie water system has been and is small, but it is vital to a large part of the Canadian North and the north coast of Alaska. The part played by the money invested in Northern Transportation Company Limited is therefore proportionately of much greater importance to the Canadian economy as a whole than the actual number of dollars involved would indicate.

GENERAL CONSIDERATIONS

1 The area service, as noted, is the Mackenzie River and tributaries, the Central Arctic coast east and west of the mouth of the Mackenzie River, and the lower Arctic islands.

2. The vessels and craft operated must, to some extent, have both shallow and deep water capacity, since the depth of the water in the river system is subject to wide variations during the shipping season, and to the west of the Mackenzie delta operations must take place in the shallow water between the pack ice and the shore, and to the east of the delta the shipping routes are in relatively deep water and seagoing conditions prevail. Ships and barges can be designed that, within certain limitations, are capable of performing under both these conditions, but the emphasis in the immediate future will trend towards shallow water operation, as it is in these areas that most of the oil exploration is now taking place.

3. Preliminary estimates indicate that over the area with which Northern Transportation Company Limited is concerned, at least 265,000 tons will move by water in 1969, as against 210,000 in 1968, and that there will be a further increase in the following years.

4. Since the least expensive transportation route to the Alaskan development is down the Mackenzie River, these discoveries are extremely important to the organizations in western Canada that are supplying the oil exploration and development activities in the Prairie Provinces, British Columbia and the Territories, as they will have a total cost advantage over other possible suppliers provided the transportation system is reliable and has the required capacity.

5. Provision of sufficient capacity for 1969, plus an adequate reserve, will require the immediate start on construction of equipment that will add at least 100,000 tons of capacity to the existing capability of a little over 200,000 tons. Due to the time required for construction and commissioning, all this new capacity cannot be available for the entire 1969 season, but will be fully operative by the end of the year's activity.

6. By 1970 additional deep water equipment will be needed for service east of the Mackenzie delta. This will take the form of an ocean-going ship, construction of which will have to start in 1968.

7. The tugs and barges will be assembled and launched on the upper end of the Mackenzie River system, but the ocean-going vessel will have to be taken in by way of the Bering Sea and Point Barrow.

FINANCIAL CONSIDERATIONS

1. Northern Transportation Company Limited has no debt, and possesses liquid capital assets large enough to meet operating needs, but there is insufficient capital on hand to cover the expenditures contemplated, and authority to borrow will have to be provided.

2. A very rough estimate indicates that the required new floating equipment, new shore installations, and the up-grading of existing equipment to provide the additional 100,000 tons of capacity, which will be required by the end of the 1969 season, will demand capital expenditures of approximately $8 million by July 31, 1969.

3. Cash flow or the difference between gross revenue and operating expenditure will pro-

vide $1.8 million in 1968 and is estimated at $3.3 million for 1969, and could increase in 1970 and the following years. The possibility of its dropping below the 1969 figure, at least during the next five years, is slight. About $1 million of the 1968 cash flow will be required for the 1968 capital budget.

4. Approximately $1 million will have to be spent on the new programme in 1968. This can be provided out of Company resources, by using on a temporary basis the operating capital, but additional funds will have to be provided early in 1969. The amount required to be borrowed will reach a maximum of $6 million by July 1969. The cash flow of 1969 will not have much effect on the total borrowing, as the expenditures will have to be made before revenues develop, but it does affect the length of the period for which the maximum loan will be required.

5. A preliminary estimate indicates that the cost of the ship for service in the Arctic area east of the Mackenzie delta will be approximately $2½ million, therefore the foreseeable capital expenditures that will have to be approved and undertaken by the end of 1969 now total in excess of $10 million, and could be more if new oil discoveries are made within the next year.

6. The estimate of the cash flow, which is believed to be conservative, indicates that the $6 million loan can be handled with ease.

COMMENT ON THE ATTACHED REPORT CONCERNING EMPLOYMENT OF NATIVES BY NORTHERN TRANSPORTATION COMPANY LIMITED

The attached is an analysis of the employment of natives by Northern Transportation Company Limited in the 1966 shipping season. It was not deemed necessary to make a similar analysis for 1967, as the situation had not changed materially, and the statistics for 1968 are not as yet complete, but again the change from 1966 is not expected to be great. However, this does not indicate that the Company is pessimistic regarding the use of native people as a source of both labour and candidates for senior positions.

The integration of the native population into a modern commercial organization is of necessity a very slow process and, particularly in senior positions, is directly related to the standard of education which, although improving, is still well below that of the white sector.

November 1, 1968

NORTHERN TRANSPORTATION COMPANY LIMITED

Date 31st January 1967

to Mr. H. E. Lake

from Mr. W. B. Hunter

With reference to the letter forwarded to Mr. Gilchrist from Deputy Minister Cote of the Department of Indian Affairs and Northern Development, we wish to advise as follows:

We are attaching a complete list of names and locations, occupations, period of time worked and remarks as to their termination for all local employees hired in the Northwest Territories during 1966.

We have noted that the Federal Government is endeavouring to train more northern residents to take care of the various jobs in the North. With reference to Paragraph 2; Northern Transportation has always tried to hire as many local people as could be utilized. In this regard we would like to point out that this applies particularly to all types of labour—including forklift operators and deckhands who might ultimately work up through the apprentice pilot, junior pilot and senior pilot ranks, or alternatively, through third mate, second mate, first mate to Captain. We might advise this has worked exceptionally well in the Athabasca section of our operations with the result that at the present time three of the four captains operating in that area are local residents and of Indian extraction. A couple of the mates are also in this category. We are sorry to advise, however, that our program has met with little success in the Mackenzie section.

For many years practically all of our deckhands came from along the Mackenzie. However, with the development of Hay River, the younger people do not seem to be interested in seasonal work on the river. As a matter of fact, we have none at the present time who appear to be working their way through to officer material.

It will be noted that all our success, where there has been any, has been with the deck department. It is apparent that while most of the local population seem to have a natural ability for river work and boat handling they have shown little interest in the engine room department.

A few years back a good many of the deckhands came from the Fort Providence and

Good Hope areas but in the last few years this does not seem to be the case and any that do sign up in the spring generally take off after approximately one month's work—or on the ship's return to Hay River.

We might also point out that we have had good success in the McMurray area over a number of years in training local personnel to handle forklifts, barge loaders and up to subforemen in charge of the warehouse. When steady employment with the Great Canadian Oil Sands came along a goodly number of them left due to the year round employment. Here again we do not seem to have had the same success in the Mackenzie area although we have only had two years of endeavouring to do this in the Hay River area.

We realize the problem is directly connected to the fact that ours is seasonal work and they do not seem to wish to put in the time to eventually better their position—particularly in the marine department. As you are probably aware, it takes considerable time on a boat as well as writing the necessary exams to become a first mate. The younger generation in the North appear dissatisfied with working four to five months a year to accumulate sufficient time; on the other hand, they do not appear to want to go out to the West Coast to accumulate additional time during the winter in order to accomplish the end.

We might advise that we have been extremely disappointed in the number of younger residents of the North who appear to be interested in a career on the river. No doubt some of them have ample education to complete their exams providing they were patient enough to accumulate the time.

With regard to labourers, forklift operators, checkers and others in this category, there are only three places at present where these are employed to any extent—Hay River, Inuvik and Tuktoyaktuk. The Tuktoyaktuk operrating season is extremely short and, as a result, once an employee is taken on we have to be reasonably sure he will turn up for work every day as the turn around of vessels in this area is extremely important.

During the last three years in particular we have, from time to time, contacted the Placement Officers and we must say they have been most co-operative; however, here again their main concern has been, and should be, to place as many in permanent employment as possible. As a result it is quite evident that we are not getting what could be termed the best employees.

We feel, on our part, that we are making every effort to employ as many as possible in the Northwest Territories but we do have the big disadvantage of seasonal operations.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
Coppermine—Casual				
Anaktak, A.				19 hrs.
Angnaluak, M.				19½ hrs.
Elgok, B.				19½ hrs.
Gibson, P.				19 hrs.
Hatogina, D.				9½ hrs.
Himiak, J.				19½ hrs.
Kamilak, G.				19½ hrs.
Kapayok, B.				19½ hrs.
Kilgik, T.				8½ hrs.
Kitkolok, R.				8½ hrs.
Kokok, J.				9¾ hrs.
Kokok, T.				8½ hrs.
Lawrence, D.				8½ hrs.
Onipkak, J.				19½ hrs.
Gjoa Haven and Spence Bay				
Tomaluk, T.				14 hrs.
Sikknerk, B.				14 hrs.
Karshoon, H.				14 hrs.
Aksalik, L.				14 hsr.
Kikoot, J.				14 hrs.
Krekoot, P.				14 hrs.
Kamikmalik, P.				14 hrs.
Pootogo, M.				14 hrs.
Aoluk, S.				14 hrs.
Pugatark, I.				14 hrs.
Koonoonak, M.				14 hrs.
Kigiark, P.				14 hrs.
Akalook, S.				14 hrs.
Lyall, E.				15 hrs.
Tomaluk, P.				6½ hrs.
Bay Chimo				
Kuasa, W., Kumak, A., Naniruok, J.				5 hrs. each
Perry Island				
Ivetalegak, J.				5½ hrs.
Tapeleisas, P.				5½ hrs.
Kouik, D.				5½ hrs.
Hay River				
Bodvarson, S.	Carpenter	Nov.	Nov.	6 days
Bouvier, Ernest	Labourer	Mar. 1	July 9	4½ mos.
		Feb.	Feb.	14 days
Bouvier, Gabe	Senior Pilot	June 1	Oct. 31	5 mos.
Bouvier, Leonard	App. Deckhand	Aug. 15	Oct. 11	2 mos.
Buggins, Daniel	Deckhand	Sept. 5	Oct. 9	5 weeks
Buggins, Eric	"	Sept. 5	Oct. 9	10 weeks
Bussiere, Gilles	"	May 16	Oct. 11	5 mos.
Cochrane, Norman	Welder	April	May	1 mo.
Courtoreille, Ron	Watchman	Mar. 2	Nov. 30	9 mos.
DeLancey, James	Lab. Checker	July 2	Sept. 17	2½ mos.
Dimion, Sandy	Jr. Mate ex Wtys.	May 1	Oct. 31	6 mos.
Gaudot, Michelle	2nd Engineer	Aug. 1	Oct. 9	2¼ mos.
Gill, Gordon	Mechanic	Mar. 10	Nov. 30	10 mos.
Jordonoff, Spiro	Carpenter	Mar. 1	July 12	4½ mos.
Kulhavy, Alder	Checker	Apr. 1	Dec. 31	9 mos.
Kuster, Frank	Oiler	Aug. 5	Oct. 11	2½ mos.
Lambert, Donald	Forlift Operator	Feb. 1	July 9	6¼ mos.
Landry, Jerry	Pilot	June 1	Aug. 27	3 mos.
Loutit, George	Pilot	May 1	Oct. 31	6 mos.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	HAY RIVER—Continued			
Monkman, Perry	Labourer	Feb.	Aug. 1	6½ mos.
Monkman, Percy	Shipyard Foreman	Jan. 1	Dec. 31	12 mos.
Monkman, Thomas	Deckhand	May 9	July 6	2 mos.
Nendsa, Hans	Labourer	July		2 weeks
Olsen, Wm	Checker	April 18	June 21	2 mos.
Paul, Cliff	Elect. Helper	Feb. 18	Nov. 30	9½ mos.
Powder, Peter	Deckhand	May 10	May 21	2 weeks
Simpson, Ken	Captain	year round		12 mos.
Simpson, Pierre	Hvy. Eq. operator	Feb. 15	July 31	5½ mos.
Smith, Frank	Forklift Operator	May 10	Oct. 12	5 mos.
Todd, Tom	Deckhand	Aug. 26	Oct. 11	1½ mos.
	HAY RIVER—CASUAL			
Austfjord, J.	Labourer	April		2 weeks
Buggins, Frank	"	May		3 days
Buggins, Herb	"	May		1 day
Camsell, Ernest	Shipyard Lab.	June		1 mo.
Cassidy, Pat	Labourer	March		4 days
Desjarlais, Melch	"	April		4 days
Ducharme, Don	"	May 23	Sept. 3	3½ mos.
Gargan, Eddie	"	May		3 weeks
Hagen, Vernon	"	March 22	May 28	2¼ mos.
Hill, Norman	Forklift Operator	May		1 week
Jennings, Albert	Labourer	March 28	Apr. 11	2 weeks
King, Patrick	"	May		1 day
Kirouac, R.	"	May		4 days
Kitigoh, Allen	"	April		12 days
Kolson, Ken	"	March		2 days
Lahiviere, Jonas	"	March 23	Apr. 15	3 weeks
Lemire, Ronald	"	May		5 days
Lockhart, Louis	"	May		9 days
Marcotte, Morris	"	July		4 days
Martel, Harry	"	April		12 days
McKay, Louis	"	July		4 days
Norn, Sarah	Kitchen	March 20	May 31	2½ mos.
Roy, Ambrose	Labourer	April 6	Apr. 30	3½ weeks
Sadler, Lorne	Welder	June 8	July 2	4 weeks
Saucier, Albert	Labourer	Aug. 5	Sept. 3	5 weeks
Seilstad, Warren	"	May		7 days
Sibbeston, Ernest	Forklift Op.	May 20	June 17	4 weeks
Sonfrere, William	Labourer	April.		10 days
Van Dyke, Ken	"	March		3 days
Cayen, Edward	"			5 days
Cayen, Ernest	"			2 days
Cayen, Germain	"			2 days
Cayen, Joe	"			5 days
Cayen, Isadore	"			5 days
Cayen, Napoleon	"			2 days
Michel, Henry	"			5 days
Cleif, George	"			2 days
Beck, S.	"			2 days
Tambour, A.	"			53 days
Trapper, Joe	"			15 days
Anderson, R.	"			10 days
Buggins, Herb	"			79 days
Lacorielle, E.	"			8 days
Lafleur, W.	"			9 days
Sawyer, E.	"			6 days
Chase, K.	"			4 days
Smallgeese, George	"			9 days
Smallgeese, John	"			4 days
Nadli, Modest	"			3 days
Lacorne, Alex	"			36 days
Sabourin, Peter	"			48 days
McKay, John	"			38 days
McKay, Henry	"			10 days
McKay, Angus	"			24 days

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	Hay River—Casual—Continued			
Fabien, Leon	Labourer			20 days
Fabien, Frank	"			14 days
Martel, Pat	"			58 days
Sonfrere, Dan	"			20 days
Beaulieu, Solomon	"			4 days
Martel, William	"			4 days
Beaulieu, William	"			2 days
Ducharne, Roy	"			12 days
Liske, Rolet	"			2 days
Loutit, Lawrence	"			5 days
Wrigley, George	"			39 days
Lamalice, Fred	"			14 days
Balcourt, Julian	"			3 days
McAllister, L.	"			11 days
Koll, Tony	"			1 day
	Cambridge Bay			
Tonokahak, B.	Labourer			4 days
Omelgsetok, P.	"			4 days
Taptoona, O.	"			5 days
Ekpokonalok, A.	"			4 days
Okagak, P.	"			4 days
Elatiak, A.	"			4 hours
	Yellowknife			
Powder, Joe	Labourer			4 days
	Ft. Resolution			
Beaulieu, Roger	Deckhand	Sept. 5	Oct. 9	35 days
Norbert, Henry	Oiler	Apr. 20	May 27	5 weeks
	Ft. Providence			
Bouvier, Gidean	Deckhand	Apr. 26	Oct. 11	5½ mos.
Lafferty, James	Pilot	May 1	Oct. 31	6 mos.
Lafferty, Leon	"	May 1	Oct. 31	6 mos.
Lafferty, Victor	Watchman	Jan.–Apr.	Oct.–Dec.	7 mos.
	Tuktoyaktuk			
Andreason, David	Sealift Wiper	July 23	Sept. 6	1½ mo.
Andreason, Henry	Deckhand	June 10	Sept. 22	3½ mos.
Anakina, Sam	Deckhand	June 15	Aug. 18	2 mos.
Carpenter, Wm.	"	July 5	Aug. 18	1½ mos.
Chicksi, Rolet	"	June 9	Sept. 3	3 mos.
		Aug. 31	Sept. 22	3 weeks
Cockney, Angus	Deckhand	June		3 days
		Aug.		1 week
		Aug.		12 days
Gruben, Sam	"	June 6	Sept. 23	3½ mos.
Jacobson, Kim	Labourer	May 9	June	3 weeks
	Deckhand	June 5	July 1	1 mo.
Kikoak, John	"	June 8	Aug. 31	3 mos.
Kimiksana, Adam	"	June 4	Sept. 20	3½ mos.
Noksana, David	Deckhand	Aug. 20	Sept. 24	5 weeks
Noksana, John	Labourer	June 8	July 18	6 weeks
	Deckhand	Sept. 1	Sept. 20	3 weeks
Norberg, Gordon	Asst. storekeeper	June 30	Aug. 31	2 mos.
Norberg, John	LCM op. watchman	Jan. 1	Dec. 31	12 mos.
Panaktoluk, Jessie	Deckhand	June 6	Sept. 24	3½ mos.
Pokiak, George	"	June 5	Sept. 22	3½ mos.
Raddi, David	Labourer			2 days
Raddy, John	Deckhand	June 7	June 12	6 days

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	Tuktoyaktuk—Casual			
Anakina, Peter	Labourer	Aug.		3 weeks
Avik, Andrew	"	Aug.		1 week
Avik, Joseph	"	July		1 week
Carpenter, Joseph	"	Aug.		1 day
Cockney, Ernie	"	Aug.		4 days
Cockney, Roy	"	June		5 days
Dillon, Lucky	"	Aug.		8 days
Elias, Tom	"	Aug.		3 days
Emahok, Adam	"	Jan.	Oct. 15	9½ mos.
Felix, Noah	"	June 15	Sept. 5	3 mos.
Felix, Ramley	"	Aug.		5 days
Felix, Willy	"	June-and Aug.		4 days
Kumhsana, Bert	"	Aug.		1 day
Klengenberg, David	"	Aug. and Sept.		5 days
Kotokak, Edgar	"	May 17	Sept. 17	4 mos.
Lennie, Fred	"	Au_. 3	Sept. 1	1 mo.
Nasogaluak, Henry	"	June 14	July 18	5 weeks
Negasuh, Peterq	"	July		1 day
Ovayuah, Andy	"	Aug. 18	Aug. 26	8 days
Ovayuah, John	"	July 6	Aug. 6	1 mo.
Ovayuah, Kelly	"	June 16	Sept. 9	3 mos.
Panaktoluh, Frank	"	July 23	Sept. 2	6 weeks
Panaktoluk, Robert	"	July 2	Sept. 26	2½ mos.
Panaktoluk, Bill	"	July 20	Aug. 3	2 weeks
Pingo, Anne	Kitchen	May		3 days
Pokiak, Randley	Labourer	Aug. 2	Sept. 1	1 mo.
Raddi, Allen	"	Aug. 2	Aug. 26	4 weeks
Raddi, Sarah	"	May		3 days
Raymond, Phillip	"	Sept. 1	Sept. 26	4 weeks
Raymond, Wm.	"	Aug. 2	Sept. 24	7 weeks
Umaok, Frank C.	"	July		4 days
Voudras, Aiph	"	May 28	Sept. 16	3½ mos.
	Ft. Smith			
Burke, Edwin	Labourer	May 22	Oct. 12	4½ mos.
Burke, Mike	"	May 22	Oct. 12	4½ mos.
Evans, David	Eqpt. Op.	Apr. 26	Oct. 24	6 mos.
Evans, John J.	"	Apr. 14	Oct. 21	6½ mos.
Grabimky, Chester	Watchman	Jan.	Dec.	12 mos.
Gratrix, John	Shipyard Foreman	Jan. 1	Dec. 31	12 mos.
Lepine, Fred	Labourer	May 5	Sept. 30	5 mos.
Marston, Marwin	Forklift Op.	Apr. 4	June 11	2½ mos.
Marston, Terence	Asst. storekeeper	June 28	Aug. 18	1½ mos.
	Ft. Smith—Casual			
Beaulieu, Joe	Labourer	May		4 weeks
Berens, Edward	"	May	Sept.	5 mos.
Clarke, Reg	Checker	July		2 weeks
Gibson, Ronald	Labourer	May 10	June 4	3 weeks
Kurzewski, John	Eq. Operator	July		64 days
	Ft. Simpson			
Lafferty, Jonas	Pilot	May 1	Oct. 31	6 mos.
Roth, Herbert	Deckhand	Aug.	Sept.	12 days
Lafferty, N.	Casual	June		9 hrs.
Beaulieu, John				9 hrs.
Beck, G.				3 hrs.
Dry, Bones, E.				13 hrs.
	Ft. Good Hope			
Lafferty, Albert	Pilot	May 1	Oct. 31	6 mos.
Lafferty, Michelle	App. Deckhand	June 19	Aug. 19	2 mos.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
	Ft. Norman			
Bavard, John	Labourer	July 23	Aug. 15	24 days
Hoerassie, Jos.	Labourer FL Op.	July 2	Sept. 13	2½ mos.
Menacho, John	Deckhand	July 16	July 27	10 days
Menacho, Victor	"	July 12	Sept. 29	2½ mos.
Neyally, Jonas	"	July 12	July 27	2 weeks
Palissey, George	Forklift Op.	July 3	Aug. 15	1½ mos.
Doctor, Fred	Casual Lab.	July	Aug.	6 weeks
Gladue, Harriet	Cook	July 10	Sept. 1	2 mos.
Lennie, Bertha	Cook	Sept.		6 days
D. Hotte, M. Mendo, F. Widow, G. Yakeloya	Casual			4 days
	Norman Wells			
Raymond, Cecile	Kitchen	June 14	Aug. 2	6 weeks
Price, Dennis	Elect.			2 days
Buckingham, D.	Kitchen			5 days
Buckingham, M.	Cook			1 day
Knull, Edna	Cook			5 days
Clement, Sandra	Casual			4 days
	Ft. Franklin			
Kenny, Nap	Labourer	June 9	Sept. 2	3 mos.
Naedzo, Bernard	Deckhand	June 14	Oct. 1	3½ mos.
Takazo, Sarah	Waitress	May	Sept.	2 mos.
Takazo, John	Labourer	June 9	Sept. 23	2½ mos.
Yukon, Isadore	Pilot	May 1	Sept. 30	5 mos.
Takazo, Cecila	Cook	July	Aug.	25 days
Yukon, E.	Kitchen	July		6 days
	Inuvik			
Harris, Wm. J.	App. Deckhand	July 8	Aug. 24	1½ mos.
Mackenzie, Robt.	Deckhand	May 5	Aug. 3	3 mos.
Nerysoo, James	Deckhand	July 8	Aug. 24	1½ mos.
Clarke, Mabel	Casual			45 hrs.
Cli, L, Andrew, L.				3 hrs.
	Paulatuh			
Ruben, Garret	Labourer	Aug.		40 hrs.
Ruben, Joseph	"	Aug.		40 hrs.
Greene, Anthony	"	Aug.		40 hrs.
	Holman Island			
Inuktalih, Roy	Labourer			30 hrs.
Niguyoh, Morris	"			30 hrs.
Ikpukhaak, Patsy	"			30 hrs.
Lennie, Timothy	"			11 hrs.
Born, Ray	"			35 hrs.
	"			24 hrs.
	Ft. McPherson			
Alexis, Robert	Pilot	June	July	25 days
Charlie, John	Pilot	June	July	25 days
Koe, P.	Casual			18 hrs.
Koe, R.	"			19 hrs.
Vittrekwa, G.	"			19½ hrs.
Kendi, M.	"			18 hrs.
Teya, W.	"			20 hrs.
Blake, C.	"			12 hrs.
Venelesi, W.	"			11 hrs.
Roberts, J.	"			22 hrs.
Martin, K.	"			3 hrs.
Storr, R.	"			26 hrs.

LOCAL EMPLOYEES—1966

Name	Occupation	From	To	Period
Ft. McPherson—Continued				
Chinna, A.				4 hrs.
Carliss, R.				1 hr.
Kay, S.				3 hrs.
Kay, J.				3 hrs.
Cardinal, K.				3 hrs.
Kendi, W.				2 hrs.
Jerome, H.				2 hrs.
Snowshoe, W.				2 hrs.
Hansen, R.				2 hrs.
Peerrot, J.				2 hrs.
Gully, C.				2 hrs.
Manuel, E.				3 hrs.
Tobac, D.				3 hrs.
Shoe, B.				3 hrs.
Lamson,				3 hrs.
Edgi, W.				3 hrs.
Katchilly				3 hrs.
Sachs Harbour				
Opiana, J.				8 hrs.
Elias, C.				12 hrs.
Haddorn, R.				3 hrs.
Kayachloo, J.				12 hrs.
Kadlak, F.				12 hrs.
Kudlak, J.				6 hrs.
Kuptana, Robert				12 hrs.
Kuptane, Roger				12 hrs.
Lucas, D.				6 hrs.
Raddi, M.				12 hrs.
Aklavik				
Kowana, J., Salamo, J., Irish, G., Malegana, W.				22 hrs.
Archie, J.				6 hrs.
Andrew, J., Blake, W., Sittichiali, L., Ball, J., Stewart, J., Snowshoe, J.				½ day each

Government
Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

THURSDAY, NOVEMBER 14, 1968

Revised Main Estimates 1968-69
Canadian Wildlife Service

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Dr. D. A. Munro, Director, Community Affairs Branch (Social Affairs); Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29267—1

Government
Publications

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Howard (*Skeena*),	Simpson,
Borrie,	Laprise,	Smerchanski,
Buchanan,	Marchand (*Kamloops-*	Southam,
Cullen,	*Cariboo*),	St-Pierre,
Dinsdale,	McKinley,	[1] Thomson (*Battleford-*
Durante,	Nielsen,	*Kindersley*)
Duquet,	O'Connell,	Watson,
		Yewchuk—(20)

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Orlikow on November 13, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS.
WEDNESDAY, November 13, 1968.

Ordered,—That the name of Mr. Thomson (*Battleford-Kindersley*) be substituted for that of Mr. Orlikow on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29267—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 14, 1968
(4)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.25 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Buchanan, Dinsdale, Durante, Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Simpson, Southam, St-Pierre, Watson (11).

Also present: Mr. Orange.

In attendance: From the Department of Indian Affairs and Northern Development: Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Dr. D. A. Munro, Director, Community Affairs Branch (Social Affairs); Mr. W. D. Mills, Departmental Secretary; Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service.

The Chairman called that part of item 35 of the Revised Estimates 1968-69 of the Department of Indian Affairs and Northern Development relating to wildlife after which he introduced the witnesses.

Mr. Gordon and Dr. Munro made statements and were questioned. During questioning the officials undertook to provide some detailed information to the Committee, for tabling at a later meeting, about duck and geese populations, the game regulations covering ducks and geese and the general effect of Indian and Eskimo hunting on duck and geese populations.

On motion of Mr. Borrie, it was

Agreed: That item 35 of the Revised Estimates for 1968-69 of the Department of Indian Affairs and Northern Development relating to the Canadian Wildlife Service, be allowed to stand.

On motion of Mr. Buchanan, it was

Agreed: That the Committee adjourn.

At 1.30 p.m., the Chairman adjourned the Committee to Tuesday, November 19, 1968.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 14, 1968.

• 1122

The Chairman: Gentlemen, I call the meeting to order.

First I should like to apologize to the Committee for the short notice in calling the Wildlife section of the Department here today. The reason is that we had the Minister scheduled for Tuesday of this week and this meeting was cancelled by the person in charge of committee meetings in general. The Minister is in Western Canada today at an Indian consultation meeting and consequently is unavailable.

Rather than not have a meeting today, we felt it would be better if we went ahead and dealt with an item which is important and yet one which can be separated somewhat from the general estimates for purposes of discussion today. The Minister will be here next Tuesday so I hope members will understand that they have been given a short notice today and that the members of the Department have also been given a rather short notice. If there are difficulties because of this you have my apologies.

Mr. Borrie: Mr. Chairman, before we start I wonder if there is not some better way to get the meetings started on time and also with better attendance. It reminds me of the consultation meeting they had in Prince George where it took them four hours to get everything set up before the meeting could start. I do not think we have to carry on this way because I know a number of us have appointments later on, about one o'clock.

The Chairman: This is why we are getting started right now. We are not waiting any longer.

Mr. Simpson: I would like to say with regard to that unfortunately I do not see any other of our members here, but I do know that all but one who are on this Committee are on another committee meeting at this particular time and this has been happening. In fact, we have one member who has made brief appearances here but on both occasions he has had to leave to go direct to another committee meeting across the hall, possibly sometimes even to form a quorum at that meeting.

• 1125

Mr. Borrie: The Committee is not working very well.

Mr. Simpson: Unfortunately not, so far as our membership on this Committee is concerned and other committees that are quite busy at this time.

The Chairman: I now call item 35 of the Revised Main Estimates for the 1968-69 fiscal year relating to wildlife.

35. Canadian wildlife service—administration, operation and maintenance including research, conservation and development of wildlife resources, administration of the migratory birds convention act and authority for payment of scholarships for the training of biologists, $3,839,000.

The witnesses are Mr. J. H. Gordon, Senior Assistant Deputy Minister, Conservation; Dr. D. A. Munro, Director Community Affairs Branch, Social Affairs; Mr. F. H. Schultz, Chief, Administrative Services, Canadian Wildlife Service, and Mr. W. D. Mills, Departmental Secretary. I should like to call on Mr. Gordon.

Mr. J. H. Gordon (Senior Assistant Deputy Minister, Conservation): Mr. Chairman and gentlemen, I would like to apologize to the Committee. We would have liked to have had for you some published material and some background material for your prior examination. The notice was rather short but we will have distributed to the Committee members a number of pamphlets and documents which I think you will find of interest. I am sorry we were not able to get these to you in advance of this particular meeting.

Mr. Chairman, if I could I should also like to explain what might be a little puzzling to members. Dr. Munro is identified as the

Director of Community Affairs Branch of the Social Affairs program area of the Department. Again, because of the relatively short notice with which the meeting was called, Dr. Tener, the present Acting Director of the Branch, is out of town. Dr. Munro, who was the former Director of the Canadian Wildlife Service until quite recently, has probably the best background in Canada in this field and he kindly arranged to come here, although it is now a little outside his terms of reference.

Mr. Chairman, with your concurrence I should like to ask Dr. Munro to outline briefly for the Committee the general activities embraced within the Canadian Wildlife Service program as a basis for questioning.

Dr. D. A. Munro (Director, Community Affairs Branch, Social Affairs, Department of Indian Affairs and Northern Development): Mr. Chairman and gentlemen, the Wildlife Service activity is part of the Department's conservation program which has its roots in two pieces of legislation, the National Parks Act and the Migratory Birds Convention Act. The Migratory Birds Convention Act dates back to 1917 and it was from the necessity to administer that Act, which was passed in order to enable the Migratory Birds Convention with the United States, that the first wildlife work by the federal government was initiated.

• 1130

More broadly, I suppose, it is fair to say that the work of the Wildlife Service along with the National Parks Branch is rooted in a recognition of the value to Canadians of wildlife and wild lands and the natural environment. I think there are many evidences before us that as time goes on, as we tend to live more and more of our lives in cities and under conditions that might be called of increasing artificiality, the value to people in psychic terms, social terms, as well as economic terms, of the opportunity to return in a sense to the sorts of environments that we as a species evolved in, and to renew our relationship with other types of life is increasingly important. The federal responsibility in this respect is not entire or all-encompassing. The basic responsibility for wildlife in Canada is provincial. However, because of the fact that an international treaty was concluded with the United States some 50 years ago, the work which is basic to the administration of the Act—which enabled this treaty to be drawn up—is a federal responsibility. So, as our primary responsibility we have research and the management of the birds referred to in the Migratory Birds Convention Act.

The Canadian Wildlife Service also provides a service function to other areas of the federal government where there are direct or indirect responsibilities regarding wildlife. The two most important areas of this sort are in the national parks and the territories. In addition, the service provides technical assistance in respect of wildlife on Indian reserves and on such other federal lands as it may be required. In accordance with the general policy of extending research assistance in many fields to the provinces on request, the Wildlife Service also provides a technical and information service in regard to wildlife generally throughout the provinces as this may be requested or agreed to. We could say that our primary objective is to ensure the preservation and wise use of wildlife resources under federal jurisdiction and to support the provinces and territories in their efforts to achieve the same objective in their areas of jurisdiction.

We categorize the work of the Wildlife Service under eight headings, and I may just say a word or two about each one to give you a basis for further discussion. First with respect to migratory birds, our work is aimed at ensuring the maintenance of migratory bird populations at levels which are in harmony with man's interests. In this respect we have to administer the Migratory Birds Convention Act and Regulations. The enforcement of the Migratory Birds Convention Act and Regulations is primarily a function of the RCMP. It is also undertaken by the provincial wildlife services, but the Canadian Wildlife Service has responsibility for the statute, it reviews the enforcement activity and performs a coordinating role.

Another subfunction related to migratory birds is research and investigation to determine the status of migratory birds each year. The migratory game birds, which include ducks, geese, snipe, woodcock, fantail pigeons and a few others, are hunted each year. They are subject to various environmental pressures, changes in habitat, and so forth, all of which have some effect on their population. So, in order to manage them effectively and ensure that the population does not decline to the point of danger it is necessary to conduct various sorts of investigations and take a census each year in order to see how the stock is progressing.

• 1135

We have concluded that the most critical factor with respect to the survival of migratory game birds, primarily ducks and geese, is the maintenance of the habitat in which they live, the wetlands, and in this era of increasing intensity of land use we have had to embark upon a program of maintaining the habitat in two ways, by entering into agreements with landowners to preserve wetlands and by outright purchase of certain other sorts of wetlands. Migratory birds, like most other forms of life, are neither all good nor all bad from man's point of view and some of the bird species that inhabit Canada cause problems to us of one sort or another. They may damage crops, occasionally they get in the way of aircraft, and various other things may happen, so that we have a program of investigation and development which is related to the control of damage by birds to man's interests. Finally, we have a program of fundamental research on migratory birds which provides the information necessary for these other activities that I just mentioned.

The second area of our activity is what we term wildlife research general. Under this heading we carry on research in the national parks, in the territories and, in co-operation with the Department of Forestry, in some of the areas where investigations of the ecology of forests are being carried on, the forestry experimental stations. In this connection I expect the most important work is that which is related to the big game mammals in the national parks and in the Northwest Territories. In the national parks it is the big game mammals which are the most conspicuous, which have the most significant impact on their environment, sometimes through overgrazing or over-browsing, and which are such a significant feature of the parks as a recreational area for Canadians, and a continuing research effort in respect of these animals is required. In the territories mammals such as the caribou, polar bear and musk-ox are of considerable economic significance, and again continuing research programs are underway. I am sure that all members of the Committee will have become aware—and perhaps have been aware for some time—of some of the unexpected effects of the use of pesticides. For several years the Canadian Wildlife Service had a small program, the objective of which has been to try to determine accurately what happens to various wildlife populations when pesticides are used in an operational program. The Wildlife Service also has conducted a small research effort, the objective of which is to determine the occurrence and significance of parasitic infections and diseases among wildlife. Another activity in support of the national parks administration is related to the fresh waters of the parks, their capacity to support sport fisheries and their general ecology. I think one of the most effective tools of conservation is information, and the Wildlife Service has an information program which is manifested in the production of leaflets, pamphlets, scientific publications, television clips and motion pictures.

• 1140

Then we have an interpretation program which is just getting under way. In this program sites are selected for the erection of small museums and interpretative centres around which are developed a series of nature trails and outdoor exhibits, the objective being to bring people into contact with the natural features in our environment and to provide them with an experience in this connection that is both informative and enjoyable.

Finally I might mention the administration aspect of the wildlife service program. For administrative purposes the service is divided into two regions, one in the West based in Edmonton and one covering Eastern Canada based in Ottawa but separate from the Head Office.

We have an approved establishment of 219 and are presently somewhat restricted by the freeze on recruiting. These people are located in the regional offices, in Head Office and in suboffices located in Vancouver, Whitehorse, Inuvik, Fort Smith, Saskatoon, Winnipeg, Aurora, Calgary, Quebec City, Sackville and St. John's.

Mr. Chairman, perhaps I have provided enough general background.

The Chairman: Mr. St. Pierre wishes to question the witness.

Mr. St. Pierre: I have a series of questions, Mr. Chairman.

I have not been able to find in the estimates the revenue from the $2.00 migratory bird hunter's fee. Can you tell me where this appears?

Dr. Munro: Mr. Chairman, it is of the order of $760,000 in the first two years in which it has been in operation. This is the third year and we have every reason to believe it will be very much the same.

Mr. St. Pierre: Where does it appear in the estimates?

Mr. Simpson: Do you mean $760,000 per year?

Dr. Munro: Yes.

Mr. St. Pierre: Is it in the middle of page 226—$676,000 and $697,000?

Dr. Munro: Right. Now the difference between those figures and the one that I quoted you is the difference between gross and net. We transfer to the Post Office Department, which is the selling agency, the cost of handling the permits.

Mr. St. Pierre: That is, the cost of their issuing them.

Dr. Munro: Yes.

Mr. St. Pierre: It would be the same as a fee charged a hunter in a B.C. store for a B.C. licence?

Dr. Munro: Yes.

Mr. St. Pierre: And how is this money spent? Does it simply go into general revenue?

Dr. Munro: Yes, sir.

Mr. St. Pierre: Have any additional services been offered to hunters as a result of this fee?

Dr. Munro: Well, we began what we term the land easement program just about coincidentally with the institution of the permit, we also provided a better information service to hunters coincidentally with the initiation of the permit, but there is no earmarking or direct relationship between funds received and spent.

Mr. St. Pierre: I imagine you are aware of the considerable complaint there has been in British Columbia because of the lateness of the issuance of the federal regulations and I wonder if you could explain that to us, Doctor? Many of us in B.C. are not even receiving the regulations until after the season has opened.

• 1145

Dr. Munro: Mr. Chairman, there is a process involved between the period of making a decision on what the regulations should be and their being actually approved by Order in Council, published and promulgated. We have been aware of this problem for many, many years and have sought ways to streamline it. The time frame, as it exists now, is that decisions are made during the latter part of July. We would prefer to make the decisions as late as possible so that we can take account of changing conditions in the breeding grounds, any changes in populations and so forth.

In the last several years, having made that decision and made a recommendation to the Minister with respect to changes in regulations around July 20, 21 or 22, we found that the process of approval of draft regulations by the Department of Justice, the preparation of printer's plates for the abstracts, the transmission through the process of obtaining an Order in Council usually takes between two to three weeks, and in the last several years I think we usually have had our Order in Council somewhere between August 10 and 15.

This year the postal strike did not help. It did delay the transmission of booklets, abstracts and so forth through the mail. In the two or three years before I think that we were successful in getting information out to the public at least two weeks before the first season opened.

Mr. St. Pierre: I know from my own experience that this was not the case in British Columbia.

The federal government has always been involved in the Migratory Bird Regulations, which I believe involves some international negotiations each year. Until the federal migratory licence came in you transmitted this to the provincial government which, in turn, printed the regulations—both migratory and provincial. This was the case in B.C. I am wondering why the provincial regulations were invariably issued well in advance but since it has become a federal responsibility the federal government has been unable to get them out on time.

Dr. Munro: Mr. Chairman, there has been no change in responsibility. What has happened has been that at the time when the regulations for the hunting season to come were discussed the discussions involved the provincial wildlife directors and, with a few exceptions, we generally reach an agreement and the provincial directors are aware, informally, what the regulations are to be. In many cases they act on their informal knowledge and print in their regulation folders what the seasons are to be. We go through the process that I described a moment ago. There has been no change in that situation.

Mr. St. Pierre: I am speaking of course of the change that is visible to the British Columbia sportsmen. Formerly they could get their regulations in time but now frequently they cannot.

In this regard you speak of federal responsibility for controlling the period of time when you can go hunting—those are not the words you used but I assume this is the sense of it. In the case of a province such as British Columbia what contribution does the federal government make toward the provincial warden service which is doing the enforcement for you in that area?

Dr. Munro: The federal government does not make any direct contribution towards the provincial enforcement service but I think it is perhaps proper to point out, Mr. Chairman, that there is a provincial interest in the enforcement of the Migratory Bird Regulations since, in British Columbia for example, a fair fraction of the provincial hunting licences sold are sold primarily to people who wish to hunt migratory birds. So that some of their revenue is in effect derived from that resource and by a long custom there has been this sort of co-operation between the federal government and the provincial government.

• 1150

Mr. St. Pierre: Finally, and I do not know whether the witness can answer this question, Mr. Chairman, why was the decision taken to impose a separate federal licence for migratory bird hunting?

Dr. Munro: Mr. Chairman, there were two reasons. The most important was to provide a means of measuring the use of migratory birds by hunters in Canada. Some provinces had, on the basis of their own licensing systems, conducted surveys of their hunters in order to determine what numbers of various species were hunted and taken and various details regarding hunting which are significant in terms of management.

In other provinces this had not been done and in no two provinces were the systems comparable. As I mentioned earlier, as far as migratory birds are concerned this is a time of increasing pressures—diminishing habitat, increasing hunting pressure and a general squeeze on the productive capacity. We thought it was only good management to have as accurate information as possible on the status of populations and on the harvest or use of populations, so that the inauguration of the Canada migratory game bird hunting permit now provides the Canadian Wildlife Service with a universe made up of the names and addresses of all purchasers from which a sample can be selected for questioning for a national uniform survey of hunting and its effects. A secondary reason was simply that in view of the services being provided in support of hunting and other forms of recreation based on migratory birds, it seemed reasonable that there should be a user fee.

Mr. St. Pierre: I have a final question, Mr. Chairman. Do you know how many prosecutions there have been in Canada for failure to possess migratory bird licences?

Dr. Munro: I cannot give you a figure, sir, but there have not been many. There has been, I think, a quite effective effort made to check, as effective as any sort of wildlife enforcement activity can be, and the results have not led us to believe that the permit is not being well accepted.

Mr. St. Pierre: Thank you, Mr. Chairman.

The Chairman: I have a supplementary on the question raised by Mr. St. Pierre. Is any attempt being made to spend within the provinces the funds raised from the sale of these licences in direct migratory bird investment?

Dr. Munro: No, sir; there is not.

The Chairman: Mr. O'Connell is next on my list and then Mr. Simpson.

Mr. O'Connell: Mr. Chairman, I have a fairly lengthy series of questions to put to the witnesses seeking factual as well as policy information regarding enforcement to build up a background with respect to conflicts between the Migratory Birds Convention Act and Indian hunting treaties. If other gentlemen here who might have to leave have shorter questions I should be glad to give way for the time being.

The Chairman: Speaking as official representative of the Opposition, I think we should let Mr. Simpson ask his questions.

Mr. Simpson: Mr. Chairman, I should start out by saying that quite a substantial part of the enquiries that I shall be making will be on the same lines as Mr. O'Connell's. I have some other questions to ask so I think I will ask them now, and possibly ask a few questions supplementary to those Mr. O'Connell will be asking. I am glad to see, though, that there is an interest in that field among the Committee members.

• 1155

Dr. Munro, you were mentioning the Wetlands Program. I understand that it has been carried out for some years. I am wondering whether this is the type of program that in some provinces is called the Pothole Program. Is the Wetlands Program carried out in all or most of the provinces of Canada?

Dr. Munro: Yes, sir. It is carried out in all the provinces of Canada. I think I mentioned in my earlier review that there are two techniques of seeking to preserve migratory bird habitat, one by entering into agreements with individuals which are like leases, and the other by purchase.

The agreement program, which is designed primarily for the Prairie potholes because of the physical nature of their being scattered throughout legal units of land, is what is commonly called the Pothole Program, and is centred in the Prairie Provinces. In the other provinces more of our activity has been in outright purchase.

Mr. Simpson: What liaison is there between our Wildlife Service and Ducks Unlimited?

Dr. Munro: We are in frequent contact with Ducks Unlimited, sir. We keep them informed of our programs and things we expect to do. They reciprocate. We have, I would say, at least bi-annual meetings between senior people in the Service and senior people in Ducks Unlimited, and we have undertaken some cooperative activities.

Some of these have been in the field of investigation and at least one in the field of habitat maintenance where we secured a small tract of land which, by agreement with us, Ducks Unlimited proposes to construct a dam in order to create a piece of water-fowl habitat and there may be more of this sort of thing in the future.

Mr. Simpson: You mentioned that you are planning an undertaking in regard to the maintenance of habitat which they may carry out. This is one of the reasons why I ask what liaison there is because you were mentioning, Dr. Munro, that the maintenance of the quantity of any species relates in good part not only to the hunting but the conditions in the habitat. Without criticizing Ducks Unlimited, because I know they are doing a good job, we continue to hear reports that for certain areas being maintained for wildlife habitat the reaction has not been what might have been expected.

For instance, I did not see it myself but I heard many reports that in one particular area literally thousands—I would have to see it before I believed it—of Canada geese eggs were flooded out in an area where Ducks Unlimited apparently had control and had control of a dam.

I am not complaining about this because I have not seen it, but I wondered whether reports of this nature come to Wildlife Service and whether they are investigated in any way or discussed with Ducks Unlimited?

Dr. Munro: What you suggest, Mr. Simpson, does not ring a bell in my mind. I do not remember hearing a report of this exact type but certainly if we heard of something like that our relationship with Ducks Unlimited is such that we would try to find out what had happened. I am sure they would tell us and I am sure anything that could be done by either of us to correct that situation would be done.

• 1200

Mr. Simpson: Very good. Before I leave that question I should like it understood that I am not criticizing Ducks Unlimited. I am going to try to get more of a basis for this matter that I questioned you on because it was brought to my attention by several people but I did not see the situation myself this fall. Now, one or two questions in regard to the Migratory Birds Convention Act. I suppose that periodic international discussions are held with the people involved. Am I correct in saying that Mexico is also part of this agreement?

Dr. Munro: Mr. Chairman, there is a treaty between Canada and the United States; there is a treaty between the United States and Mexico. In a sense, the two treaties in their entirety mean that the three countries have reached an agreement in respect of migratory birds, but Canada has no treaty directly with Mexico. In some of the technical discussions regarding migratory bird conservation that take place, Mexican officials are represented.

Mr. Simpson: You mentioned discussions that take place. Is there an annual meeting between representatives of our country and the United States on the migratory birds question?

Dr. Munro: Mr. Chairman, there are two meetings at which officials of both countries come together, and there are a number of other meetings, of a more or less *ad hoc*

nature, to deal with specific problems which the officials of the two countries attend.

One is convened by the Canadian Wildlife Service for the purpose of discussing regulations for the upcoming hunting season in Canada at which there is always a representative of the United States Fish and Wildlife Service. These are not meetings at which there is a negotiation regarding these matters. They are meetings they attend in our country as a matter of courtesy, and which we attend in their country also as a matter of courtesy.

There is also an organization called the International Technical Meeting on Migratory Birds which has met with membership from Canada, the United States and Mexico to discuss some of the problems that may need to be met in migratory bird conservation in the future. This meets here regularly.

Mr. Simpson: I would not want to put a direct question to you or anyone in your Department as to whether Canada was fully satisfied with general hunting regulations in the United States in relation to migratory birds. That probably would not be a fair question, but are our Wildlife people in Canada cognizant of the regulations in most or all of the separate States?

Dr. Munro: Yes, sir. As I mentioned, representatives of the Canadian Wildlife Service attend the United States National Waterfoul Advisory Committee which is held every year around August 1 in Washington, and we listen to the discussion there between federal and State officials and officials of private organizations having an interest in the field. We contribute to the discussions to some extent, and I think we are always pretty well up to date on the outcome of these discussions.

Mr. Simpson: Anyone interested in hunting quite often hears reports that there is indiscriminate hunting of wild migratory birds in some of the southern States. Now, they probably hear the same things about us. I have no basis for this claim, but I am glad to be assured that our Wildlife Service are aware of and cognizant of the different regulations. I often thought it would be interesting if we could get a copy of the hunting regulations of many of the States through which the flyways go and which contribute to where much of the hunting is done. I am wondering if it would be possible to get regulations from any of these places, because I have often been asked by hunters this very question, is it possible to get hunting regulations from the various states through, let us say, some source in Ottawa?

• 1205

Dr. Munro: Mr. Chairman, we can provide anyone with a copy of the United States regulations governing migratory bird hunting. I do not know that we can provide a guide to their interpretation, because they are presented in a way that I find difficult to follow. There are so many footnotes, and so on, but we can do it.

Mr. Simpson: That is very good. I will not continue this very much longer, but does each State or do some States set their own regulations?

Dr. Munro: No, the situation is exactly as it is in Canada; regulations are federal. There is a discussion between the federal representatives and the State representatives prior to reaching a decision on the regulations. They hopefully look for a consensus.

Mr. Simpson: But, of course, in Canada we have different bag limits in different Provinces, in the same species of duck.

Dr. Munro: That is right, and these are set by federal regulations. In at least one Province in Canada we have different regulations for the same species of duck in different parts of the Province. This is in response to what we consider to be biological necessity.

Mr. Simpson: I think, then, that is all for now, but I would like to say that I will probably have some supplementary questions on Mr. O'Connell's questioning.

Mr. O'Connell: Mr. Chairman, the first questions I would like to ask are basically factual, and I appreciate that we have all come without much preparation. Therefore, some of the answers may not be available at once. The second set of questions concern policy and conflict between treaties and the Act. I would like to ask if we can get some estimate of the total population of migratory ducks and geese. These are the two species in which I am interested, basically.

Dr. Munro: Yes, Mr. Chairman, we can provide some estimate of the total numbers of ducks and geese. In respect of certain populations, for example the Snow Geese that breed on Southampton Island or some comparable population, we can provide rather specific figures. The larger the area we attempt to

cover, the less reliable in absolute terms our estimates may be because they are, to a great extent, based on sampling, sampling censuses, so that our system is designed to detect trends of change rather than absolute numbers. It is possible to make estimates of absolute numbers but we are more concerned, really, with change and we would not say that the estimates of absolute numbers are as precise as we would like them to be.

Mr. O'Connell: I would appreciate if you would be prepared to make some estimates, even hedging them, as approximate. My second question on populations—I believe there are flyways—could you indicate the number of these there are in Canada, and the relative proportions of these two kinds of migratory birds in each of these flyways, or in the several flyways?

• 1210

Dr. Munro: Yes, Mr. Chairman, we can do, again, something of that sort, but I fear it may be misleading because the term "flyway" was coined in the United States to describe the situation that obtains there, where there are quite well defined flyways or pathways, flight pathways of migratory birds. In Canada they tend to overlap and intermingle. For example, a proportion of mallards that are bred in Central Saskatchewan go down to a part of the USA that is called the Mississippi Flyway, they head southeast. Another proportion go almost directly south to the Central Flyway. A smaller proportion go over toward the Pacific coast and enjoy the Pacific Flyway. This same sort of intermingling of populations obtains pretty well throughout Canada. It is misleading to speak of a flyway as a fixed and definite phenomenon, it is not.

Mr. O'Connell: The point I was hoping to reach is if there is any way in which you could relate Indian populations or Indian communities to the course generally taken by these birds. What is behind that question, in my mind at least, is if in fact treaty rights are being restricted through the Migratory Birds Convention Act, I think it is only right that we should know the total number of birds involved. These birds are restricted because of what is called the threat of indiscriminate slaughter. We do not appear to know how many birds are involved or where they are and how Indian communities relate to them. I would like to know how many reserves are in the paths of these major routes which are taken by the birds, if that is possible.

Dr. Munro: Mr. Chairman, we could provide some generalized information of this sort. For example, we know that the Walpole Island Indian reserve is in the centre of a major migration route for ducks. We could name a number of other Indian reserves that are favourably located in respect of migration routes. We could name some that are not. Without more specific investigation I would hesitate to say how many thousands of birds on the average might pass over a particular reserve in any one year. This is asking for rather precise information.

Mr. O'Connell: Yes. Then—

Mr. Gordon: Mr. Chairman, and here I defer to Dr. Munro, if we had an overlay on a map of Canada on which the reserves are located, or at least the agencies—because with the reserves in British Columbia in particular it is quite a job to indicate individual reserves—an overlay of the normal migration routes, it might be helpful to you and then these could be coded with some indication of the bird population, subject to these qualifications.

The Chairman: If I might intervene here, Mr. Gordon, I believe there are maps of Canada which show all the Indian reserves. If you were to put an overlay with the flyways on it it would perhaps be of assistance.

Mr. O'Connell: I notice there is a fairly large research effort being undertaken through the Canadian Wildlife Service, and now that it is in the Department of Indian Affairs and Northern Development I would suggest through you, Mr. Chairman, that some research be done on the Indian kill that is expected or some estimate given in that area which is related to the flyways and the Indian communities so that we can get some factual information.

The Chairman: Especially the percentage of Indian kill. Is this not what you would want?

Mr. O'Connell: No, I think we require absolute numbers if we can get them. I think we have to get some estimate of absolute numbers. For example, if I read the $2.00 permit correctly it suggests there are 375,000 hunters, who are annually licenced to hunt migratory birds. What I am trying to get at is how many Indian hunters might be expected to shoot birds on their own reserves or in the nearby territory, what is the total kill in any year and what might the Indian kill be as a proportion of that. These may be estimates

but I think it is pretty important for us to have them, and I hope the Department will do some research in this area that will put us in a better position.

• 1215

Dr. Munro: Mr. Chairman, may I respond to this question by saying that we have been considering issuing a free permit to Indians and Eskimos for the hunting of migratory birds with the idea that this would enable us to obtain some of the type of information that you suggested and that I agree is most necessary.

There is now simply no basis, other than the most arbitrary one, for estimating the numbers of Indians that hunt or what they take, except in a few areas where some inquiries have been made. We agree that one of the items of information that is lacking and is vital is the use of migratory birds by Indians and Eskimos in quantitative terms.

Mr. O'Connell: Mr. Chairman, may I ask if the Canadian Wildlife Service has detected any trends in the size of the flocks of these two kinds of birds since 1964, or perhaps even more recently, 1966? Are any trends being observed here?

Dr. Munro: Mr. Chairman, there has been a decline in the number of ducks, particularly those that are raised in the Prairie provinces and in the areas to the north of them. Since 1965 in Eastern Canada there has been a gradual but consistent decline in the number of black duck.

The situation is happier in regard to geese. The populations have remained fairly stable throughout this period. We attribute the decline in the Prairie provinces breeding ducks to the cyclic decline in water levels and droughts which have taken place there. With respect to the black duck, we are not certain about them.

Mr. O'Connell: May I ask a related question here? Would it be fair to say that the enforcement of the Migratory Birds Convention Act with respect to Indian hunters has not been pressed in the past?

Dr. Munro: Yes, Mr. Chairman, that would be a fair and accurate statement.

An hon. Member: I believe there have been very few prosecutions.

Mr. O'Connell: Yes, sir. As the result of recent court cases, beginning with the Sikyea case in 1964 and ending only this year with the Daniels case in Manitoba, will you be following a different enforcement procedure? Now that it has been clarified that Indians are subject to the Act, will you follow a different enforcement procedure?

Dr. Munro: No, Mr. Chairman, we do not propose any change in the enforcement procedure at this time. In the past we have asked the enforcement agencies to pursue what we call a policy of leniency in enforcement in respect of native people who live in areas where there is a need for them to take migratory birds for food, and we have continued to advise that we consider this a desirable policy.

Mr. O'Connell: Mr. Chairman, may I ask whether it is possible for Dr. Munro to say if the Canadian Wildlife Service has any way of measuring the impact of Indian hunting on migratory bird flocks? I believe the Act that you are administering is in existence to protect flocks from indiscriminate slaughter. Is there any way of ascertaining if Indians who hunt on their own reserves, for example, or on unoccupied Crown land constitute any threat. Have you any way of measuring that? Has any measurement been undertaken?

• 1220

Dr. Munro: No, Mr. Chairman, no measurement has been undertaken. We infer from what has happened in past years that the traditional level of use by Indians has become harmonized with regulated use by Canadians and Americans, and that a system has become established which seems to work.

Mr. O'Connell: And it is working with a non-enforcement policy with respect to Indians.

Dr. Munro: That is true, Mr. Chairman. I feel bound to point out, though, that in respect of many of the reserves in Southern Canada, enforcement or not, it is my belief that the regulations are observed by Indians.

Mr. O'Connell: Mr. Chairman, is the Wildlife Service aware of the differential in practice in the United States compared with Canada in that the Migratory Birds Convention Act is not enforced, not only as a question of policy but as a question of law interpretation in the case of Indians in the United States?

Dr. Munro: Yes, Mr. Chairman, we are aware of that.

Mr. O'Connell: Are we in Canada concerned about the potential destruction of these migrating flocks because Indians in the United States may kill these birds with impunity but Canadian Indians may not?

Dr. Munro: No, Mr. Chairman, we are not because the location of reserves in the United States is very much different on the whole than it is in Canada. There are very few reserves, proportionately speaking, in the United States that are located as strategically with respect to migratory bird flight lines as they are in Canada.

Mr. Borrie: You are not too sure of the location of reservations and the migratory routes in Canada though, are you? Not in the sense that you can draw a complete analysis from it.

Dr. Munro: Not in the sense that it can be quantified down to terms of so many thousand birds customarily passing through this area or that; no, sir.

Mr. O'Connell: Has the Department or the Wildlife Service given advice to the Canadian Government with respect to bringing about uniformity in both countries with respect to the administration of this Act? I do not have it with me, unfortunately, but it does call for uniform protection in both countries. We do not really have uniform protection since Indians are put under a disability in this country, though it is generally not enforced against them, which they are not under in the United States. Have we on our side taken steps or are we proposing steps to bring about a uniform enforcement?

Mr. Gordon: Mr. Chairman, perhaps I could intervene here to say that the Department and the Minister have under review many of these points that Mr. O'Connell has raised. With respect to the question as to the intention, I think this is a question which we would not be in a position to answer.

The Chairman: It is a question of government policy.

Mr. O'Connell: Could the witnesses not state what kind of advice they have given perhaps with respect to the conflict between Indian treaties and the Migratory Birds Act?

Mr. Gordon: Mr. Chairman, I am afraid the advice that we would render in cases like this is privileged information and that the Minister would really have to respond to a question of that sort.

Mr. O'Connell: All right. I am coming to the end of some of my questions, Mr. Chairman. Through the research you have done, would you say that it is possible to increase the size of flocks through various means, for example, the sanctuaries, the wetlands policy, and perhaps other knowledge that may become available through biological research and so on? Could you say that you could in some way determine the inventory of migratory birds?

• 1225

Dr. Munro: Mr. Chairman, in a very general way, yes. In regard to certain species—Canada geese, for example—there are proven techniques for increasing breeding populations and increasing the size of the population. There are possibilities, I think, for increasing stocks of certain other species. But an over-all limiting factor of course will be the habitat which these birds of the various species have to occupy.

Mr. O'Connell: I cannot put this as a question—it is perhaps more of a statement—but I would draw from the evidence that with the scientific possibilities today of controlling or determining in some way the total composition of these birds—the permit system, the sanctuaries, the wetlands and the research policies—we could no longer feel that these birds are under a threat of extermination. If that is the case, I am trying to get reinforcement for the point of view that a total acknowledgement of Indian hunting rights would not under these modern conditions of permits and inventory possibilities bring any threat to the total flocks of the birds. Would that be a fair statement to make, Mr. Chairman?

Dr. Munro: Mr. Chairman, I think that would be a daring statement to make because there is a difference between knowing how to do a thing and being able to do it, and being able to obtain the resources to do it. There is also the fact I have mentioned several times, and that is that the numbers of birds that may be maintained are dependent upon their habitat, and to maintain habitat means the allocation of money to safeguard it.

I would say that there is not a threat of extinction of any species of migratory bird, with the exception of the whooping crane, at present. But there are certainly some species that may not become extinct but that could quite possibly reach levels at which they would be a rarity and of no practical significance in terms of hunting, for example.

We have seen that in the last 20 years the use of pesticides has posed a new threat to wildlife populations, one that we did not really recognize or appreciate for some years after their first use. I would suppose we would face continuing hazards of that sort, and hazards perhaps that we have not yet imagined through the future. But all I am saying, Mr. Chairman, is that I do not think we can just be optimistic without qualification.

Mr. Gordon: I suppose, Dr. Munro, it would be fair to say that, along with the new techniques and measures for protection and rehabilitation of these various species, these are, crudely speaking, being paced by new threats to the survival of some of these birds in connection with pesticides, water pollution, and the continued encroachment of our way of life into the areas where the birds live and where they breed. So that our research efforts, and efforts at rehabilitation, are keeping pace if you like, but just keeping pace with the new demands and the new threats that are being experienced by these birds.

It is very hard, sir, if I may add, to identify in this maze of variables and maze of variety of influences in the ecology and the environment which are coming to bear, what I suspect may be your interest in trying to identify the particular nature of the utilization by Indians in the event that some change should be made in the Migratory Birds Convention Act. Certainly we could make our figures more precise, I think.

• 1230

One of the facts of course which make it difficult to be precise is that at the present time the Indians are not required to be licensed in any way, so that we have no real picture of the kill.

Mr. O'Connell: Yes, I appreciate that. But if the threats are basically non-Indian threats, and the courts have now clarified to us in the last few years that the treaties have been abridged, then it would seem to me it is incumbent on the Canadian Government to equip itself with the facts of the Indian contribution to the kill, and be in a position to propose changes to the Migratory Birds Convention Act. As the courts have said: "We have dishonoured the treaties." And if the argument is going to be threats to the birds then we should have the facts. And I would hope that we could dig them out.

Mr. Chairman, I would like to ask one or two other questions. Has the Department or the Wildlife Service received any requests from Indian organizations or bands for research grants with respect to research into the, let us say, conflicts between migratory birds and treaty rights and into conservation measures that Indians themselves might undertake voluntarily?

Mr. Gordon: Not to my knowledge, sir. This does not mean that there may not have been such requests. We have a branch of the Department represented here which normally might not be aware of recent representations that might have been made. But I could check this out, Mr. Chairman, and confirm whether or not such a request has been received.

Mr. O'Connell: I may say that I do not know myself whether such a request has been made, but looking at the estimates there are grants here to the Audubon Society; there is a grant to the Canadian Wildlife Federation of $20,000, which appears to be a new grant. I would appreciate knowing who the Canadian Wildlife Federation are. I just want to make the point or ask the question whether there would be any reason in not responding, and whether there would not be a good reason for encouraging some of the provincial or national Indian organizations to do some research themselves in this area and form part of the decisions about the total picture. Has any encouragement of that kind been proposed by the Department?

Dr. Munro: Mr. Chairman, I can certainly say what the Canadian Wildlife Federation is. I might point out that the grants to both the Audubon Society and the Canadian Wildlife Federation are only $10,000 a year, not $20,000 a year as shown.

The Canadian Wildlife Federation is a federation of the provincial federations, which in turn are federations of local rod-and-gun or hunting and fishing clubs located in the various localities across Canada. The Canadian Wildlife Federation is primarily an educational organization; I think that is the best way to term it. It has a very small staff and a small budget. It provides a medium for communication by means of a newsletter and by means of annual meetings of the representatives of sportsmen in different Provinces. It supports and manages National Wildlife Week. It undertakes various programs of disseminating information on wildlife conservation to the sportsmen's groups of which it is a federation.

The Canadian Audubon Society is a somewhat similar organization. Although it is not a federation as such, it has constituent societies in various parts of Canada, the memberships of which are made up largely of people whose interest in wildlife is not that of hunting, but that of observing birds and photographing them, and so forth.

Mr. O'Connell: My last question, Mr. Chairman. Do you receive representations from the Canadian Wildlife Federation? Have you received briefs?

Mr. Gordon: Yes, the government does.

Mr. O'Connell: Would these briefs be available to the Committee? Has the Canadian Wildlife Federation made representations, say, against the Indian case, with respect to treaty hunting rights, and the Migratory Birds Convention Act?

Dr. Munro: Mr. Chairman, the Canadian Wildlife Federation did make a presentation to the Department on the question of Indian hunting rights. My interpretation of it—my impression of it—was that it reflected thinking that was very sympathetic to the Indian cause.

• 1235

I am not certain whether the Federation has released the brief but I see no reason why an enquiry might not be directed to the Federation Director.

Mr. Simpson: I have a question related to Mr. O'Connell's concerning the populations, the quantities of these birds. Can you tell me, Dr. Munro, assuming that the Wildlife Service would have to rely on the good will of hunters reporting their kills of migratory birds, do you attempt to compile percentages in relation to the population of Canada geese, the percentage of geese actually taken by hunters in any one year in Canada, and do you do this in relation to mallard ducks?

Dr. Munro: Yes, sir, we do this. We obtain information on the kill of each species by place and by time period throughout Canada. We also have some measures of total populations as I mentioned earlier, I think, in response to Mr. O'Connell's question.

I must ask you to understand that there are sources of error in both these sorts of operations. Hunters like to say that they got 10 birds when perhaps they got 9 or 7. There are various sorts of biases and we have some means of checking these and attempting to interpret them so that we believe them to be correct.

There is another source of information that enables us to check the accuracy of the two types of data I have just mentioned and this is by means of banding birds. We can determine a percentage harvest of the total population by the numbers of bands that are returned by hunters in relation to the numbers of bands that were actually put on the birds.

Again, there are some sources of bias here because not all hunters will return their bands. They look at them and say, "Oh, well, I sent one in last year; why bother again?" All these bodies of information are subject to certain sorts of bias but we rely on the interpretation of these several sorts and they tend to substantiate each other. We end up with estimates of the total harvest, for example, of any species which we believe to be reasonably accurate for the purposes of management.

Mr. Simpson: Then it would be possible for the Committee to get these figures from the Department so that we might have an idea of the percentage of kills by hunters?

Dr. Munro: Mr. Chairman, we could provide figures of that sort for some species only and in some cases perhaps only for certain areas, but I think we can provide some useful information of this sort.

Mr. Simpson: That would be fine. If we are going to receive some idea of populations of these birds as requested by Mr. O'Connell, I would certainly like to get the figures that you might have available.

I have one further question. A lot of it, as you say, is subject to the actual reports the hunters put in, but there is one thing that could be determined right to the last decimal point. Does the Wildlife Service make any attempt to relate the number of hunters that report their kills to the number of hunters taking out provincial licences, province by province? What I am trying to get at is this: I know all of us may at some time look in our hunting jackets in January and find our licences sitting there. Probably they are then sent in but there must be a lot that never come in and I am wondering whether you have figures of that nature?

• 1240

Dr. Munro: Yes, we do.

Mr. Simpson: Could they be provided also for the Committee?

Dr. Munro: May I just ask you to say exactly what it is you want. Is it comparison between the sales of federal licences and provincial licences, province by province?

Mr. Simpson: Yes, as well as the number of licences reported back by licence holders.

Dr. Munro: I should explain, Mr. Chairman, that we do not expect all licence holders to report. We select a sample of the licence purchasers and ask them to respond so that if they are selected as one of the sample they know they are to respond. If they do not respond we send them a reminder and we have information which indicates what proportion of those asked do respond.

Mr. Simpson: I realize that you do this, or I assumed that you had just started doing that type of requesting a very short time ago, but I would have to take another look at a Manitoba licence. I understand that it does not demand that you send it back but it requests on the licence that you report your kill the same as it always did.

Dr. Munro: That would be on the provincial licence.

Mr. St. Pierre: Mr. Chairman, I do not think that is general. I do not think we have had that in British Columbia. It must vary from province to province, I would think.

The Chairman: I am sorry, gentlemen. We have questions here from Mr. Borrie and Mr. Buchanan before we go on to more supplementaries. Are there supplementaries on this now or can we get on to the questions from these two gentlemen?

Mr. Borrie: You can take my name off the list because my questions had to do with the migratory route and Indian reservations, and enforcement of hunting regulations against Indians.

Mr. O'Connell: Mr. Chairman, may I ask a supplementary? It is a very short one. I believe there is some urgency in getting this information for the reasons I have stated but there is the additional reason that if and when the claims commission is put in place undoubtedly cases will be brought by Indians through the claims commission for compensation for the loss of hunting rights. Then if there is no way of measuring the utilization it is going to be very, very difficult and think it is very important that the research activities—and we will bring this up with the Minister—should include a new look at the question of utilization by Indians.

The Chairman: I think, Mr. O'Connell this might be a worth while subject for discussion in our steering committee to determine whether perhaps we could make a recommendation to the government somewhat along the lines you suggested. Perhaps you would like to raise it at one of our subsequent steering committee meetings, Mr. O'Connell.

Mr. O'Connell: I would be pleased to.

Mr. Buchanan: Mr. Chairman, my questions, I suppose, are more of what you would call the nuts and bolts variety I am curious to know the purpose of this in view of the fact that I gather nearly all these funds are either spent or totally committed. Is this correct? For the year 1968-69 is this basically what we are dealing with?

• 1245

The Chairman: Yes.

Mr. Buchanan: This money is really virtually all gone now or wholly committed?

The Chairman: That is correct.

Mr. Buchanan: This is more of historical interest; is that the idea?

The Chairman: No, I do not think so, Mr. Buchanan. My view of the consideration of these estimates is that it enables the Committee to delve into the actions of the Department during the past year and also into some of the ideas it has for the future. There is no effective way, I think, that members of Parliament can get to the root of what any single department is doing other than by this method.

We have the officials here and it is up to us to make this Committee effective and I think we can be effective if we go into something in detail. Perhaps if we are not satisfied with what the Department is telling us we as a Committee can make a recommendation to the government. This is the whole purpose, in my view.

Mr. Buchanan: Your hope is that our delving might turn up or develop something that would have an influence on future expenditures. Is that basically what you are saying?

The Chairman: That is correct.

Mr. Buchanan: Mr. Chairman, I am just looking at the salaried positions. There is an

increase of 24 employees and I gather, going over them category by category, that these 24 additional people involve an outlay of approximately $150,000 a year. I would be curious to know—and this, I guess, would be Mr. Gordon's area—if there has been a substantial expansion of the area of responsibility of the Wildlife Service, or is this just a sort of normal increase—roughly a 15 per cent increase?

Mr. Gordon: Mr. Chairman, Dr. Munro has outlined some areas of expansion of activity which have involved additional people. Included in this is an expansion of our wetlands acquisition program, and our effort to expand and to intensify our research program. The provision of additional information which comes to us, incidentally, through the permits which are now being provided enables us to do a better and more efficient job, I think, in relation to the whole numbers underlying the programs that we have. And, of course, the policy statement that was filed in the House in 1966 outlined a program of activity which represents an expansion in a number of areas by comparison with what had been done.

The Department has a five-year program—it projects its activities over a five-year period—with a phased increase of staff. The 24 additional positions, of course, have to be seen in the context of the staff freeze which the government announced; so that our positions, I believe, are somewhat less than our authorized strength. I think our authorized strength is 219, and our actual strength at the present time, considering recruitment and frozen limits, is somewhere around 170.

Mr. Buchanan: So you are roughly 50 below—

Mr. Gordon: We are roughly 50 below our paper strength at the present time.

Mr. Buchanan: I notice, Mr. Gordon, there is an item under "Professional and Special Services" which had an increase of roughly 50 per cent, or in the neighbourhood of $215,000. I was wondering if you could expand or make some comments on that.

Mr. Gordon: If I may, Mr. Chairman, I would ask Mr. Schultz or Dr. Munro to comment on this.

Dr. Munro: Mr. Chairman, this is largely a reflection of the decision to buy certain sorts of services. I mentioned the pesticide program which really got under way in the last couple of years. There is a requirement in carrying out this program to have analyses made of the tissues of birds and mammals and so on that are found in pesticide-sprayed areas for the presence of pesticides. This is a fairly sophisticated form of chemical analysis for which we do not propose to equip ourselves because it would require quite a heavy expenditure of capital equipment and long-term commitment of staff. We contract for this sort of service with Ontario Research Foundation, the University of Guelph and I think the University of Manitoba. That is perhaps the outstanding example.

• 1250

There are other sorts of services that are short-term scientific studies that we get done primarily by university people because we think this is the most economical way of doing it, and also because it helps to support the universities in their training of people in this field. Data processing contracts are a significant component of this increase as well.

Mr. Buchanan: I see the rental has gone up a couple of hundred thousand as well. It has gone from $366,000 to $564,800.

Dr. Munro: The rental primary includes the sums that are paid to landowners under the agreements to maintain potholes.

Mr. Buchanan: Your potholes and wetlands program is the biggest factor in that and was, I gather, subsequent to 1966, a new area for this. Is that correct?

Dr. Munro: That is right. It was carried out on a pilot project basis of a few tens of thousands in 1964-65 and then it became operational in 1966.

Mr. Borrie: If I might ask a supplementary, Mr. Chairman, there is an increase of $78,000 for "Publication of Department Reports and Other Material". I hope it is not the Committee's request for extra information that has caused some of these increases. Why would this go up so drastically?

Dr. Munro: Mr. Chairman, this was simply in accordance with the policy and program statement that the Minister tabled in the House in 1966; simply an acceleration of an existing program in an attempt to let the public know more about wildlife and about what the Wildlife Service is doing. I cannot attribute it to any particular component but simply to an increase in the dissemination of

scientific information and information about wildlife in popular terms.

Mr. Borrie: The other supplementary that I have concerns the expenses for Banff Park. Why was this amount decreased? I know that a few washrooms were closed up. What is the long-term project for the Mount Revelstoke and Glacier Parks?

The Chairman: Mr. Borrie, I think this is a question that should come later when we are considering the estimates of the National Parks. Do you have any further questions?

Mr. Borrie: The estimate that we are undertaking now would be in relation to conservation within those Parks, would it not?

Mr. Gordon: The Canadian Wildlife Service provides an advisory service with respect to the wildlife population in the Parks, but I think the item that you are referring to, sir, is in the National Parks area of the conservation program.

The Chairman: I have a couple of questions that I have been holding off here and I would like to get them in before the end of the sitting. What are you doing about preserving our caribou population and how much, approximately, is spent in a year to help increase the population?

Dr. Munro: Our main effort in respect of caribou is research. The responsibility for management of caribou rests with the Territorial Government and with the governments of the provinces which they pass through from time to time on migration.

Our research activities have had several phases. One that has been significant, I think, is the determining of the effects of fire on caribou range which have been quite substantial. Most of the caribou range is beyond the area where customarily fire protection has been afforded because the timber is of little commercial value. But the fires have had the effect of destroying lichens which in those areas take some 60-odd years to regenerate, and over a period of time there has been quite a loss of good winter range on that account.

As a consequence of our findings in this respect some modified form of fire detection and protection has been set up in the southern part of the Mackenzie District which I think has been of some effect. The major research effort at the moment is centred on one herd which we term the Keewatin herd and which moves between Keewatin District and northwestern Manitoba and northeastern Saskatchewan, and is aimed primarily at determining a good deal more about the health status of the animals, their productivity in relation to range conditions, diet, and so forth.

• 1255

The caribou populations have shown an increase since 10 years ago from an estimated 270,000 or 280,000 to about 350,000. The total research effort is something of the order of $70,000. About every 10 years in the past we have mounted an extensive aerial survey of the mainland caribou habitat in order to determine population figures. When we do that I think it costs us around $50,000 or $60,000.

Mr. Simpson: A supplementary question, Mr. Chairman. You have given figures on the caribou herd. I understand there has been quite a decrease in the herd in the last twenty years. Could you tell me what was the highest number of caribou we had in the last forty years, and how far back your figures go.

Dr. Munro: There has been quite a decrease in the caribou herd in the last twenty years. The first survey of significance was made in 1948 and, if I recall correctly, the figure then was something just over a million. Before that who knows? One had the impression there were millions but there is no accurate knowledge before that time.

The Chairman: If I may ask another supplementary, would the expenditure of additional funds be of any assistance in increasing the herd over the next two years? Do you feel there is anything that we should be doing that we are not doing because we lack funds?

Dr. Munro: I hesitate to say no, Mr. Chairman, to a question like that, but I do not honestly think so at this point.

The intensive research survey which is being carried on in Keewatin now and which is due to conclude at the end of next summer may suggest that we should be doing something of that sort. I suspect that the number of caribou is primarily controlled by the effects of fire on their natural habitat—possibly something more could be done in this respect—and from occasional over-utilization. I am not saying that this is a continuing significant factor. The requirement is to apply properly the information that we have about caribou at this time and we hope to do that by the end of next summer.

Mr. Simpson: Do the provinces make the decision whether there will be an open season to hunt caribou on the barren land?

• 1300

Dr. Munro: There is a continuing committee made up of representatives of the Territorial Government, the Wildlife Service, and the Chief Game Officers of Alberta, Manitoba and Saskatchewan, which are the provinces concerned. This committee serves as a forum for the discussion of problems relating to caribou management. Research information is provided to this committee on a regular basis and there is a pretty thorough discussion each year on management possibilities. I have every confidence that the government will act in accord in this respect. I think I can say that they have in the past.

Mr. Simpson: Has there been an open season in the last few years in any of the three provinces you mentioned. I do not recall one in Manitoba for a good number of years.

Dr. Munro: I do not believe so, Mr. Chairman. I can check this and let you know.

Mr. Orange: Mr. Chairman, I apologize for being late but I was at another committee meeting. If my questions have been asked I can defer.

Dr. Munro, as you know, there were outbreaks of anthrax in and around Wood Buffalo Park in the last two or three years. I think I can speak from a little bit of experience on this. I understand there was some confusion initially on who was to take control measures and be responsible for this.

Has a report ever been made on the cost of the control program, the number of buffalo destroyed as a result of anthrax, the effect it had on other wildlife in the area such as moose and birds, and the reaction of people down south, particularly in Alberta, to the potential threat of anthrax.

Dr. Munro: Mr. Chairman, Mr. Orange asked a number of questions.

Certainly the situation in the last four years has been much less serious than it was in the preceding several years. There were no deaths attributed positively to anthrax in 1965, 1966, and I think there was only one in each of 1967 and 1968.

I think it is correct to say that the vaccination program and the clean-up of diseased animals program has been very successful. We must always expect that there may be an outbreak because of the very persistent nature of the pathogenic organism. The spores of anthrax can persist in the ground for many years and if the right conditions come about they may become viable and may infect an animal.

At the present time plans are beginning to be implemented for the containment of bison in a number of very large control areas. In this way all of these herds can be moved more or less at will and can be brought in for regular vaccination. I think that the prospect of control of anthrax in the area is as good as it can ever be.

Have I missed a part of your question, Mr. Orange?

Mr. Orange: Basically I was interested in hearing about the cost. Also, is the Wildlife Service responsible for the control program?

Dr. Munro: No, the control program is actually carried out under the park's budget. Although we service the technical advisers and in effect have directed some of the operation, I cannot give you the figures for the cost of the control program.

• 1305

Mr. Orange: You mentioned having large herds in control areas for vaccination purposes. Would this mean a reduction in the number of animals?

Dr. Munro: No, this is not contemplated.

Mr. Orange: What is the buffalo population in the Park and outside the Park?

Dr. Munro: I believe it is in the order of 10,000.

Mr. Orange: What percentage is outside the Park?

Dr. Munro: I would guess about 20 per cent.

Mr. Orange: So you anticipate effecting these control measures without reducing the size of the herd. I presume you intend to fence these areas. How many miles of fence do you anticipate will be required?

Dr. Munro: I am sorry but I cannot recall.

Mr. Orange: It would probably take hundreds of miles of fence, would it not?

Dr. Munro: Yes.

The Chairman: Do you have any further questions, Mr. Orange.

Mr. Orange: No, Mr. Chairman.

Mr. Buchanan: Mr. Chairman, in looking at the figures here what concerns me a little is that the net revenue has remained relatively constant, around the 700,000 figure.

The Chairman: In what regard?

Mr. Buchanan: From licences. I am referring to the figures on page 226. As I said, although the net revenue has remained relatively constant the expense factor has gone up from roughly $2,900,000 for the past fiscal year up to a figure of $3,839,000 for this year. So that on the net figure, after knocking off the revenue, which is a constant, we have an increase of roughly 40 per cent within one year—or even looking at the gross figure, an increase of roughly 30 per cent. Depending on the viewpoint taken, there is either a 30 or 40 per cent increase within one year. This does concern me substantially in that I believe it is far beyond our capacity to absorb by increasing revenues. I do not know whether elsewhere in the budget we can look for comparable decreases to get the figures down to the manageable amount or not. Is this such a significant program in relation to the others within the Department that we feel it deserves priority, that it should be given a far greater increase than the others? Is this the thinking behind it or not?

Mr. Gordon: I have to check the percentages a little more carefully. Mr. Schultz could correct me if I am wrong, but as I recall, the percentage increase in the Wildlife Service Program was consistent with the increases elsewhere within the Department. Priority was given to Indian- and Eskimo-oriented programs particularly, and here I am thinking about next year where there is no increase in the conservation program.

Do you have a percentage figure?

Mr. O'Connell: I made the same calculations as Mr. Buchanan.

Mr. Gordon: You came up with the same answers?

Mr. O'Connell: I think he is substantially correct.

Mr. Gordon: Well, maybe so.

Mr. Buchanan: It is roughly 3,000,000 to 3,800,000.

The Chairman: I think it should be pointed out to the Committee, Mr. Gordon, that this $700,000 in revenue did not even exist two or three years ago. It was never considered even as an important factor in the expenditures that have been made and projected over the last few years.

Mr. Gordon: This is correct.

The Chairman: The conservation program as I understand it, Mr. Gordon, has never been based on this principle of getting a revenue back.

Mr. Buchanan: That did not start until 1966-67. If we ignore that, there is still a 30 per cent increase, and if we netted it, there is a 40 per cent increase in the net figures. But even 30 per cent, is, I think, a substantial increase in one year.

Mr. Gordon: Thank you, Mr. Chairman. You made the point that I was anxious to get across too, and also the point that the Wildlife Service was never intended to be self-supporting.

• 1310

Mr. Buchanan: I did not want to suggest that.

Mr. Gordon: I know it was not your intention.

These percentages may appear large in relation to the relatively low base of the Service. The figure now, for 1968-69, is $4.9 million. I think one must view the total job that the Wildlife Service is trying to do in relation to the Wildlife Service policy and program which was announced in the House. It was anticipated that there would be sharp increases, and one of the major areas of increase of course has been in connection with the land acquisition program. This has accounted for a substantial increase in the capital budget.

Dr. Munro just mentioned to me a comparison that might be made, that might be helpful in relation to the United States.

Dr. Munro: I could mention, Mr. Chairman, that the per capita expenditure on wildlife in Canada is about one-tenth of what it is in the United States. I once calculated also a relationship based on the area of land concerned, which is also significant. I cannot now recall it, but this information could be provided if you wish. I mention it as an indication of the importance that a highly industrialized,

heavily populated country places on this sort of activity.

Mr. Gordon: In 1966 a policy was announced which forecast an increase in expenditures, with the prospect of being able to do much more in this field than we have been able to do in the past. So the anticipation was that there would be some fairly sharp increases in the years to come.

Mr. Buchanan: Well, this was really my question, Mr. Chairman, whether we did in fact consider this such a high-priority item that we were prepared to give it increases which are substantially above the capacity to absorb in relation to the over-all increase in the budget.

The Chairman: I think the answer to that is yes.

Mr. O'Connell: I noticed that at the time the policy was accepted in Parliament—obviously 1966—revenues began to appear, and along the same lines as Mr. Buchanan, may I ask if there is any thought being given to an increase in the permit fees as the expenditure side grows?

Mr. Gordon: An increase in the fees will be considered, I am sure, as costs generally rise. We think the fee that is established now, amongst other objectives which Dr. Munro mentioned, does provide an opportunity for people who are hunting to make a contribution. I am not aware of any intention to increase the fees.

Mr. O'Connell: How many birds—is it easy to answer this—how many birds does the $2.00 fee entitle one to take. Does this vary a good deal? Ducks and geese?

Dr. Munro: Well, it entitles a person up to the legal limit per day, if he is skillful enough to do so, wherever he may be.

Mr. O'Connell: What is the legal limit, please?

Dr. Munro: It varies greatly by zones within provinces.

Mr. O'Connell: What is the total allowance per annum for ducks and geese in Canada under permits? Mr. Chairman, perhaps this could be given with the general information, with the other statistical information.

• 1315

Mr. Orange: To substantiate Mr. O'Connell's argument, the number of duck licences issued in the United States annually might be included in this. It is available from the Public Library, where I got it a couple of years ago. I got it for 16 or 18 states. It was something like 3,500,000 licences.

Dr. Munro: It is in the order of 2,000,000 in recent years.

The Chairman: Also the estimates by the U.S. Fish and Wildlife Service of the number of ducks and geese killed in the United States. I think this information would be useful.

Mr. Buchanan: Mr. Chairman, could we also find out what the fee is in the United States. Maybe that is known to Dr. Munro now.

Dr. Munro: I think it is $5.00, Mr. Chairman.

The Chairman: A federal licence rate?

Dr. Monro: Yes, which everyone in the United States is required to buy if they hunt migratory birds.

Mr. Buchanan: Mr. Chairman, I would be interested in some general comment as to what the effect would be if we put our fee up to $5.00. The obvious benefit would be a 150 per cent increase in revenue, but what do you feel would be the disadvantages of such a course of action?

Mr. Gordon: One of the objectives here is to enlist the co-operation and the support of hunters in the programs we have in mind. The $2.00 appeared to be a reasonable introductory level for the licence fee. I think there is a danger of too sharp an increase; this could build up resistance and perhaps reduce the area of co-operation.

Mr. O'Connell: Do you mean resistance or evasion?

Mr. Gordon: The results of the constructive things that we have hoped for from this permit have been excellent. I am subject to correction on this—the reporting and the rest—the response has been extremely good. I think it would be unwise to endanger this spirit of co-operation by what might be considered to be a punitive amount.

I am not arguing against what might be termed a more realistic fee structure, but at the moment it is my personal view that an increase too soon—two years ago there were no fees of this kind, and we started from zero. I am of the opinion...

Mr. Buchanan: Was there great resistance at that time?

Mr. Gordon: No, the response was very good, on the whole, partly, I think, because the dollar was always considered to be fairly reasonable. This is a subjective judgment and there is nothing arbitrary—

Mr. Buchanan: It seems to me that $2 fee is almost insignificant in relation to what one pays for shells and the other expenditures associated with hunting. A box of shells costs $5 or $6 now, and...

Mr. O'Connell: It is an opportunity for control, I suppose, as much as for revenue. Do you exercise controls because there is a licence? Is that part of the objective? You know who is hunting?

Mr. Gordon: It is more related, Dr. Munro, to statistics and to knowledge of what is happening; and it gives us an opportunity to design programs on the basis of an accurate census of the population and of the take in any given year.

It really relates, in part, to the questions you were asking earlier, Mr. O'Connell, about the percentage of the take and where the kills are taking place; this kind of thing.

The Chairman: I know Mr. Orange has a question, but I wish to express my personal opinion on this matter of a licence.

I have always been under the impression that the $2 was to be spent for specific projects within each province in Canada, such as to increase the migratory bird population. I am rather disappointed to learn that this is not the case.

• 1320

If we are contemplating raising the fees I think we have to show hunters in each area of Canada that this money is going to be spent to increase the game available to them. Mr. Orange.

Mr. Orange: I was not here earlier and I know the question was asked, but for my information can Mr. Gordon say when he expects the Migratory Bird Regulations to be changed to permit Indian and Eskimo people to take wildlife at any time of the year? This was indicated about six or eight months ago by the previous minister in a public statement, or in a speech to the Canadian Wildlife society, or some such group.

The Chairman: This question, Mr. Orange, was asked in detail by Mr. O'Connell. From the answers I gather that the matter is now under study, but no indication was given on when we could expect a decision.

Mr. Orange: As I say, a previous minister made this public statement, and he also indicated the same to me. It may be that his information was personal and confidential, and until I find out otherwise it should so remain, but he made a public statement, and the impression one gained from reading what he said was that the matter was under very active consideration and that a change would be forthcoming shortly.

Mr. Gordon: One of the factors in this, Mr. Chairman, is, of course, the process of consultation that is going on with the Indians across Canada today; and—

Mr. Orange: It really was not on that, though.

Mr. Gordon: The Indians have shown a great deal of interest in this particular matter in each of the communities.

Mr. Orange: Yes.

Mr. O'Connell: I have a supplementary, Mr. Chairman. Are amendments being proposed, either to the act or to the current regulations, excluding the question that we have been discussing, that is, of the conflict with Indian treaty rights? Are there other proposed amendments? Can the witnesses answer that? Is the Act being opened up this year?

Mr. Gordon: I expect that my Minister will make a statement about that at the appropriate time. The Act has been under study. It has not been amended—for how long?

Dr. Munro: Since 1951.

Mr. Gordon: The Act has certainly been under study in other areas as well. I could not give an opinion on when a change might be introduced.

The Chairman: If there is no further questions, would somebody move the adjournment of the meeting?

Mr. Buchanan: I so move.

The Chairman: Meeting adjourned.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

LIBRARY
DEC
Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, NOVEMBER 19, 1968

Revised Main Estimates (1968-1969)

WITNESS:

The Hon. Jean Chrétien, Minister of Indians Affairs and Northern Development.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29269—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,
Borrie,
Buchanan,
Cullen,
Dinsdale,
Durante,
Duquet,
Howard (*Skeena*),
Laprise,
Marchand (*Kamloops-Cariboo*),
McKinley,
Nielsen,
O'Connell,
Simpson,
Smerchanski,
Southam,
St-Pierre,
Thomson (*Battleford-Kindersley*)
Watson,
Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

TUESDAY, November 19, 1968
(5)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:12 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Laprise, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (12).

In attendance: The Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development; *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); J.-B. Bergevin, Assistant Deputy Minister (Economic Development); W. D. Mills, Departmental Secretary; John Rae, Executive Assistant to the Minister.

The Chairman introduced the witnesses from the Department and called item one, Departmental Administration, of the Revised Main Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1968-69.

The Minister, the Hon. Jean Chrétien, made a statement and was questioned.

On motion of Mr. Badanai, it was
Agreed,—That the Committee adjourn to the call of the Chair.

At 1:04 p.m., the questioning of the witness continuing, the Committee adjourned to the call of the Chair.

Michael B. Kirby,
Clerk of the Committee.

29269—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, November 19, 1968.

• 1109

The Chairman: Gentlemen, I see a quorum. We are very happy this morning to have with us the Minister of Indian Affairs and Northern Development. We also have with us Mr. John Rae, Executive Assistant to the Minister; Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. J. B. Bergevin, Assistant Deputy Minister (Economic Development), who has recently come to us from Quebec City—bienvenue Monsieur Bergevin—and Mr. W. D. Mills, Departmental Secretary.

• 1110

I will now call Item 1 of the Revised Main Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1968-69.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Chairman, my dear colleagues, first of all I am glad to have the opportunity to speak to you today. Before going into my presentation I would like to assure every one of you of my collaboration, and I would like to make all the services of my Department available to any one of you.

I know that the problems that we face in our Department are very large in scope and there is a variety of subjects and many of you may have specialized interest in them, so I made arrangements with my Department and I would like to offer that to you. If it is possible perhaps once a month, Mr. Chairman, you can organize a meeting at the Department with the members of the Committee to get acquainted with the personnel of the Department, and to be briefed on some aspects of the Department. We have some films that would be very interesting for the members to look at concerning aspects of the Department. So whenever you would like to have that kind of briefing at the Department I will be most happy to make certain that these services will be available to you.

I want to speak to you today about the objectives of the government in the fields in which my Department has responsibility: Indian and Eskimo peoples, the development of Northern Canada, and conservation. I will then go on to outline some of the reasons why the Department was recently reorganized to better accommodate those fields and to increase its capability in reaching out toward its goals, and then I want to outline the programs and policies of the Department in all these undertakings.

The Indian and Eskimo people have their own objectives and goals; it is not the responsibility of the Government to define them. The departmental role is to establish its own policies so that Indian and Eskimo individuals can determine and reach their own goals within the framework of Canadian society.

It is the objective of the Government that Indian and Eskimo people shall be able to choose their goals for themselves and have the capability training and the clear right to set about achieving them. There should be no social barriers preventing our Native people from pursuing their aims within our society, and they must be given the opportunity to draw upon the resources of society to provide them with the necessary training and other assistance to bring those goals within their own reach. They must have the same degree of self-governing local institutions as other Canadians. They must have access to the same institutions and programs of government as other Canadians. They must have the opportunity to achieve for themselves their own aspirations.

Northern Canada must be developed to the greatest extent which is economically feasible, and the degree of development must be enhanced by appropriate government action to make possible developments which, unaid-

ed, might lie fallow for too long. Development must take into account both Natives and others, and it must be in the best interests of both Northern Canada and the nation.

• 1115

Northern development must provide jobs for Northerners and it must enhance the country as a whole. It must keep pace with what can be done with the latest technology and it must seek new technologies to speed up that pace.

Our Conservation program must seek to conserve and perpetuate the natural resource of the wilderness, wildlife, the historic past, and those special portions of our natural environment threatened by advancing urbanization.

The Department must seek to improve Canada's natural environment by conserving those elements of it which are threatened, and by enabling Canadians to refresh their identification with nature and the country as it once was. It has an obligation to perpetuate the wildlife species with which this continent is blessed and which are threatened by changing ecology, and it has an obligation to preserve those mementoes of the past which enrich our sense of history, of the greatness of the past and which in turn will enrich our sense of the possibilities for our posterity.

These are the elements which compose the Department. As you know, the responsibility for Indian Affairs was joined with the other areas of responsibility in January of 1966. It was apparent at that time that the internal organization of the Department could not meet the needs of the total field if it operated in a compartmentalized manner. There would be duplication of expertise in such fields as education and welfare—for both Indian Affairs and Northern Administration were concerned in these areas—but more seriously, elements of the Department would not have full access to specialized knowledge which was available in other fields. I am speaking of specialists in such fields as mineral development, economics and such. It was decided therefore to proceed to organize the Department on functional lines.

The position of the Indian and Eskimo people is this; both are aboriginal to Canada, both have therefore certain claims on the Canadian Government. Some of these claims have been recognized in treaties signed with certain Indian Bands. Other Indian Bands and the Eskimo people have no treaties at all. While there are certain differences in the treaties, they are not as significant as the similarities. It has generally been held, and I think that all of you will agree with me that it is the general view today, that rights and benefits recognized for one Indian Band are pretty well applicable to all other Indian bands. The differences in treatment and programs for treaty and non-treaty Indians are minimal and minimized. The benefits extended to one Indian are extended to all. It is not acceptable to suggest that because there are no treaties with the Eskimo people that they have fewer aboriginal rights than do the Indians. It is not acceptable to suggest that because a band did not sign a treaty—often because no treaty was offered—that they should be deprived of programs under which other Indians benefit.

Therefore, it became apparent that in a broad way, the same services are required by both peoples, the same programs are necessary, the same specialized expertise is required, and so the functional concept became the logical one to follow. This we have done. I stress that the reorganization is a restructuring of the functional responsibilities within the Department. The only change it will make in the programs and policies of the Department is to make them more efficient, to allow decisions to be made more promptly, and to ensure that the work load is spread more evenly over responsible officers, each of whom has clear responsibilities for program areas which are closely related to their expertise. My Deputy Minister, Mr. MacDonald, will be available to discuss this aspect of the Department more fully with you.

• 1120

If you want to use your earphones, I will speak in French for a while and after that I will come back to English. As we are a bilingual country, I want to show you that I can still speak French.

[*Interpretation*]

The Social Affairs Program of the Department concerns itself with community development, welfare, education and other social matters in the Indian and Eskimo communities and in areas where these people are living. Its policies are intended to ensure that Indian and Eskimo people have the equality of opportunity about which I have spoken. Its aims are to assist the Indian and Eskimo peo-

ple to achieve equality of opportunity in society, in education, in employment and in health; equality of opportunity in those things which are fundamental to any person wishing to take his proper place in Canadian life. If they are to have freedom of choice as to the type and kind of life they wish to lead, they must be equipped to select for themselves from the same range of opportunities as other Canadians have available to them. This means education which makes the individual eligible to follow his chosen way; it means health which will meet the strains of that choice, and it means social acceptance.

This calls for a very broad range of support services for individuals and communities. It calls for the sweeping aside of barriers which have become fixed in place over the years, and it calls for co-operation and assistance from many agencies of Government—federal, provincial and local. It calls for co-operation from Canadians in many areas of activity, from business, from trade unions and from those in all areas of activity which attract Indian and Eskimo people as individuals or as groups. The Department's policy is to encourage the institutions of local government in Indian communities and in the North. There are now 208 Indian Bands managing their own funds under Section 68 of the Indian Act. There are over 150 bands administering programs under the Grants to Bands Program which makes money available to band administrations to operate and manage programs formerly carried out by the Departmental staff.

This considerable diminution of the role of the Department in local affairs is a step forward which is welcome. It is an achievement on the part of the Indian people which speaks well for the future. As the band administration grows, the Department will be able to withdraw from such local matters and more and more bands will add to their capability and experience.

The number of programs being administered will enlarge, too, and thus the great strength of sound local government will be added to the Indian community. The Educational program is progressing on the basis of making integrated schooling available with the consent of parents wherever this is possible. This policy provides for integration in nearby schools and transportation to and from home wherever this is possible. While we can provide elementary schools in many reserve communities where there are no convenient publicly operated schools, we believe that it is not sensible to attempt to provide High School classrooms and we enroll these students in public institutions at every opportunity.

• 1125

This policy has justified itself in the better academic record of students. They have suffered less from age/grade retardation.

Eighty five per cent of those students who first entered school in 1945 were age/grade retarded by 1951, when they should have been entering Grade V. Only 13 per cent of those who entered in 1960 were so affected by 1966. This turn around is not the final answer of course. The rate is still too high and there must be further efforts made to accommodate the children within the system and to ease the adjustments.

There is still a serious problem in the High School years and we continue to work to diminish the waste of High School drop-outs. The adult education programs are proving valuable in bridging the gap for those who, in earlier years dropped out of school—too often at a Grade level much below High School. In a way, this is a measure of progress; where once we were concerned that too few entered High School, we are now concerned that too few finish.

The expansion of the kindergarten program continues both in Northern Canada and in Indian communities. Both Indian and Eskimo children are assisted considerably by a pre-school program. The handicap of language hampers them but with the use of teacher's aides, pre-school classes and other programs, these handicaps are much diminished.

In a number of places, the Department is assisting in community programs to enrich the Indian children's knowledge of their own language, legends and the lore of their people. I hope this program can be expanded under our Cultural Affairs Section for it is a necessary support to a sense of identity.

Community development has been employed as a useful means of changing attitudes and of helping to identify needs. The Department has recruited a corps of specialists who are posted to communities to meet and work with the people to help them bring about the kind of atmosphere in which a free exchange of views and ideas will help to define prob-

lems and evolve solutions. The solutions require a broad range of support from all elements of government and society, but the spirit of community development has helped the Department to understand the complexities of many situations and, I believe, it has helped the Indian and Eskimo people to undertake more and more of the responsibilities within their community.

In some instances, the Department employs these community development workers directly, in some, they are employed under contract through other agencies and in some, they are employed by the provincial government. They are all part of community development, many are Indians themselves, and they have been most effective. Community Development in Northern Canada has followed the same pattern except that up there, where distances are so vast, we have tried to make every employee sent into remote communities a community development worker. The physical standards within the Indian and Eskimo communities have been a major concern of the Department. Since 1965, over 5,500 new houses have been built for Indian and Eskimo families. There are a variety of programs available. In Indian communities, the Department makes grants of up to $7,000 a house to assist in the building program. For Indians who have left their reserve communities and who have employment, the Off-Reserve Housing Program provides equivalent grants which are made in the form of a forgivable loan. If the borrower remains in the house for ten years, the entire amount is wiped out. The Department has built approximately 915 miles of roads and has extended electricity to 219 communities and 5,076 houses since the inception of the program in 1965.

In the North, the housing programs provide Eskimo people with decent shelter often for the first time. In many communities, the modern house has replaced the appalling conditions of the past and the health of the community reflects the improvement.

• 1130

The welfare program is keeping pace with similar programs available to other Canadians. Welfare in Indian communities is paid at the same rates and under the same regulations as other communities in the province. In the North, the aim has been to provide adequate welfare in a way and on a scale which takes account of the special Northern conditions.

In the spring of 1969, the welfare programs in the McKenzie area will be taken over by the Territorial Government and in 1970, the welfare program in the Eastern Arctic will be assumed by that agency. The Department's role will be that of a support unit with expertise available if required. It is my intention to press the provincial governments to recognize the claims of the Indian people, as citizens of Canada to the same services and treatment as all other Canadians receive. I hope that further agreements can be made to provide services to Indians from the same agencies as other Canadians turn to in times of stress. I intend to take every opportunity to press this point. Within the Department, there is now established an Indian-Eskimo Bureau which has the responsibility of maintaining a dialogue with the Indian and Eskimo people. This is the group who will develop consultation procedures on programs and policies of the Department. We have now completed all but four of the initial round of meetings with the Indian people on the revisions to the Indian Act. It would be premature for me to anticipate what the remaining meetings will say and so I do not wish to comment on any of the suggestions made up to this time. However, I can say that there will be more consultation about the proposed new Act. I can say that there will be continuing consultation about programs and policies and as time goes on, I hope that the flow of information will grow and develop so that the Indian communities needs can be met.

[*English*]

The next major area of the Department is the economic development program, which will have as its primary objective the expansion of economic opportunities in the North and for the Indian and Eskimo people throughout Canada. In order to achieve this, various specialists within the Department have been brought together under the one program. These include those dealing with the development of small industries, both in association with Indian communities and throughout the North generally; those associated with natural resources management, including minerals, oil and gas, water, forests, and surface lands and those associated with broad economic planning, analyses and regional development.

• 1135

It is the intention of the government and the Department to place particular emphasis on the development of sound economic opportunities for our native peoples and for northern residents, and I believe we have now developed an organizational concept that will ensure positive results. After all, there is little point in bringing to the Indian and to Northern peoples generally the benefits of our social programs, particularly education, if there is no opportunity available to the young boy or girl or for the vocational trainee once they graduate. It would indeed be most discouraging if, having made the great effort of acquiring useful skills, the graduate then has to rely on social assistance or less challenging work because there are no alternative opportunities available to him. In the North we are taking aggressive steps to attract major industry development, particularly in the fields of oil and mining, and hopefully within a short period, forests as well. To do this we have incentive programs such as assistance for road and airstrip construction, assistance for exploration expenditures, and the provision of townsite development, electrical power development and communications on a recoverable basis at reasonable rates. In addition, in the more remote regions of the North, the government has encouraged the formation of an oil exploration company in which it has taken direct equity interest, and I am sure you are familiar with the Panarctic project for oil exploration of the Arctic Islands, in which the Government of Canada is in the process of investing $9 million in return for 45 per cent equity interest. These programs are now beginning to pay off with new mines, new oil and gas fields, accelerated forest development and increased exploration. However, we cannot afford to stop; there is much of the North that is still underdeveloped and still lacking in many of the facilities generally considered necessary in order to attain a reasonable living standard in Canada today. We must continue to support major resources development in the North, but at the same time we must ensure that northern residents, particularly the native people, benefit from the activities that are going on today. We have recently applied far more vigorously our policy of requiring that where private resources developers seek and receive support from the government, they undertake, in return to give employment to local residents. It is now up to us to try to ensure these residents are encouraged to take advantage of the opportunities thus created and to acquire the skills necessary. Although we are insisting that employers provide reasonable on-the-job training, it will be appreciated, I am sure, that in return the employer expects the Northern residents to have a certain minimum degree of skill and training. Again, it is not going to be easy to ensure that training programs are co-ordinated with the work opportunities that become available.

Although we must place greatest reliance for the creation of Northern wealth on the natural resources of the region with particular emphasis on oil and minerals, the benefits from this sort of activity are likely to be longer term and we must therefore continue to press for the creation of industrial employment opportunities to attempt, in part at least, to meet the urgent requirements of today, and here I am thinking not only of the requirement of the Northern peoples for opportunity, but also our Indian in the more remote parts of southern Canada. This is where our industrial and small business development programs will have their effect. These will be developed and encouraged as appropriate in full consultation with the people whom we hope will benefit. Where Indian reserves are involved, we will be seeking not only to encourage the establishment of more industries on or near the reserve, but also to encourage the Indian bands to plan and develop the full economic potential of the reserves, including their natural resources. Some reserves are rich in minerals, oil, water and forests. Others have potential for tourism, fishing and hunting, and others contain lands that could be developed on a lease basis for commercial purposes. We seek to bring these potential opportunities to the attention of the Indian bands concerned and to encourage them to take advantage as they deem appropriate. The primary objective, in addition to employment opportunity and income generation, is the acquisition of training and experience by Indians so that they can assume more responsibility for the management of their own assets.

• 1140

The third approach under the economic development program is long-term planning for regional development both in the North

and in association with Indian reserve communities. This requires analysis of data and evaluation of the resource potential to establish priorities. The Yukon economic study has been carried out by the firm of D. W. Carr and Associates, while other studies have been undertaken to establish the feasibility of a smelter in the area of Pine Point, N.W.T., and a study on transportation in the Yukon by Travacon Research Ltd.

The analysis of resource economics varies from cost-benefit studies of a particular mine or processing enterprise to the consideration of the economies of broad programs as to the effects of Canadian taxation laws on the development of the North. Such programs have to take account of problems of labour supply, of the needs of Indians and Eskimos, the amenities of life, such as television coverage as well as the economics of alternative types of townsite and housing development. Studies of the potential of Indian lands are made as our budget permits. The proper evaluation of possible development is essential for good planning. The administration and development of territorial land, composing 40 per cent of Canada's land mass, imposes responsibilities of its own and extends to Northern water resources the development of appropriate water rights and water pollution control. Studies have been initiated to consider the hydroelectric potential in relation to the future demand. From such studies long-term planning programs can be established. Studies are being made to establish a northern parks program and to provide adequate game.

[*Interpretation*]

• 1145

The elements concerned with conservation continue to be grouped together. The National Parks, National Historic Parks and Sites, and the Canadian Wildlife Service have common bonds, common needs. The National Parks are dedicated to the people of Canada for their benefit, education and enjoyment, to be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations. The present National Parks Policy was announced in 1964. It has gained acceptance by most concerned Canadians. We cannot allow our parks to be exploited for their mineral and forest wealth—that is recognized and accepted by all but a few—can we exploit other aspects of the parks? I would like to quote from a speech I delivered to the Canadian National Parks Conference in Calgary only last month which touched upon this point.

> "The principle of conservation and national parks in Canada originated here in the West. The principle is a simple and important one, and it is this—the natural beauty of Canada is a fundamental part of this country's national heritage. We must consciously preserve this part of our heritage so that our children, and our children's children, can share and enjoy the same natural beauty of the land which our fathers and father's fathers had the foresight and balanced sense of values to leave for us today."

As the population of Canada grows, so will the demand for more national parks. Our policies, therefore, must be directed to making available additional areas and to acquire, where possible, these lands at prices that do not put them beyond the reach of the public purse. I want to reiterate that while the National Parks system has had extensive facilities provided at considerable cost, it is not their purpose to provide for every recreational need. Other parks systems have a role to play—other facilities must meet some of the needs. We could not allow the use of the parks for unlimited residential construction. We must limit the growth of park townsites where they are required to meet the need.

The permanent or continuing occupation of park land for residential purposes, is wrong in principle.

The proof of the value of the National Parks is evidenced by the number of visitors who go to the Parks to enjoy the magnificent scenery. Each year, they have steadily increased and for 1967 a total of 10,918,169 persons availed themselves of this opportunity.

The park administration can be divided into a number of important functions. These include:—

1. The conservation of forests and wildlife, and protection of visitors.

2. Development of the natural attractions and the interpretation of them for Park visitors.

3. Land management, townsites and visitor service centres, collection of rentals and transfer of leasehold titles.

4. Issuing the appropriate permits and licenses, and assisting RCMP Funds are provided by the Department for major construction such as highways, buildings, and so forth and contracts are administered by the Department of Public Works. However, there is a need for specialized engineering staff to work with park planners and landscape experts.

Although the majority of visits to the National Parks occur during the summer months, we have encouraged for some years past the development of winter sports where suitable conditions prevail. Skiing in the National Parks is linked closely to the location of the Parks in relation to large centres of population and available highway access. The economics of an operation are vital to an operator and important to the Department since failing or marginal operations are unsatisfactory from our standpoint.

While we remain gratified that the existing National Parks are being used for the purposes intended, and that the present system has gone a long way to meet a need, it is apparent that the present system is inadequate. One has only to look at a map of Canada to realize that our National Parks are unevenly distributed, and although the present system originated in Western Canada, there is an urgent need to establish parks elsewhere so that all parts of Canada can share in the benefits of what must become a truly national policy.

• 1150

Another important element of the conservation program is our system of National Historic Parks and Sites from coast to coast.

The Historic Sites Service Policy Statement, which was tabled by my predecessor in the House on March 4th this year, governs all the planning and operations of the National Historic Sites Service. It is believed to be the first Statement of its kind to be formulated anywhere.

Canadians have an immensely varied and colourful history, a fact that we are at least starting to appreciate. While the Centennial of Confederation last year undoubtedly helped to stimulate public interest in our history, interest on the part of Canadians in their national historic parks and sites started to grow quickly long before 1967.

In fact, in the 5-year period 1963-67 attendance at our national historic parks exactly doubled and now stands at more than 2½ million. I am happy to say that attendance has continued to increase.

The National Historic Sites Service is responsible for planning, developing and operating our National Historic Parks and Sites from coast to coast and including northern sites. As with our national park system, there are also serious imbalances, thematic as well as geographical, in our historic park system.

Too many of our present parks emphasize military aspects of our history at the expense of other equally important social, political, economic, cultural and ethnic themes. We as yet do not have enough historic parks in western Canada, and in fact have none at all in Alberta and the Northwest Territories.

To correct these imbalances, the National Historic Sites Service is continuing its efforts to acquire and develop new National Historic Parks and Sites.

In the past 18 months some eleven parks, in various states of development, have been or are being added to the System. One of the most interesting of these is the proposed park at Nootka in British Columbia. This site, off the west coast of Vancouver Island, will be the first national historic park to be established on Indian land, and will commemorate, in addition to the rich culture of the Nootka band, the scene of the only Spanish settlement in Canada and the early European exploration of the Pacific northwest by Captains Cook, Vancouver and Quadra.

Negotiations for other important parks and sites are at the moment going on with a number of governments and other parties, and I expect that another 16 parks across Canada will be added to the System in the next 2-3 years. This means that the number of national historic parks is likely to more than double between 1966 and 1971.

The biggest single park in the System continues of course to be Fortress Louisbourg, which is to be completed in 1972. This is probably the biggest historical reconstruction ever undertaken anywhere, and will provide a unique historical attraction, comparable only with Williamsburg.

• 1155

I greatly value the advice and assistance I received in this field from the Historic Sites

and Monuments Board of Canada. This statutory body appointed to advise me on all national historical matters numbers amongst its members some of Canada's most distinguished historians and archivists. It meets at least twice yearly, and also works through a number of functional committees. Finally, in the field of conservation, we come to wildlife and the Canadian Wildlife Service. Wildlife, and the environment needed for its existence, is part of our historical and cultural heritage. It is a renewable resource of very real economic and recreational importance attracting large numbers of Canadians and foreigners who come to those great areas which exist in every province, where abound many species of waterfowl, big game, and fur-bearing animals.

Jurisdiction over wildlife in Canada is divided between the provinces and the Federal Government. However, full discussion with the provinces had indicated the need for a sound policy for wildlife management, both in areas of research and in the implementation of policies on utilization and protection of species.

As a result, the Canadian Wildlife Service will undertake research basic to the management of wildlife under provincial jurisdiction at the request of the provinces. The services of biologists and other personnel are available to the Commissioners of both Territories, and to other parts of the Department concerned with the affairs of our indigenous populations, as well as to the National Parks administration. The Canadian Wildlife Service maintains close association with its counterparts in the U.S. Bureau of Sport Fisheries and Wildlife, particularly where the Migratory Birds Convention Act is involved. This includes collaboration in undertaking programs of assessing North American waterfowl populations and of keeping the public informed on the dangers which beset those populations as civilization inexorably encroaches on their habitats. Both in Canada and in the U.S.A., we are becoming alarmed as industrial and agricultural development takes over natural waterfowl areas. We have a program by which we can purchase or lease suitable areas from farmers and landowners for improving and maintaining those areas for migratory birds. Ninety-five bird sanctuaries are now established under the Migratory Birds Convention Act.

In total they represent some 44,000 sq. miles. The cost of operating the Canadian Wildlife Service in 1967 was on a per capita basis 19 cents. This compares with the U.S. figure of 20.6 cents. If, however, expenditure is based on per square mile, it costs Canada $1.01 while in the U.S.A, including Alaska, it became $11.40 per square mile.

[*English*]

I have spoken today on the elements that compose the Department. I have touched on the programs and policies. I have not dwelt at length on the philosophy which I bring to the decisions I must make, nor do I want to do so at this time.

• 1200

I do want to say a few words about the rather special situation in respect to the Indian and Eskimo people. If we are to make progress here, and progress must be measured in terms which are acceptable to the Indian and Eskimo people, we must not make judgments based on our own standards and values. Both these peoples have their own views about what they seek and how they wish to live. These must be taken into account. We must learn, to accommodate ourselves to the viewpoints of others, we must be prepared to change ourselves as readily as we are prepared to give advice to others. It is not necessary for Indian people to give up their Indian identity in order to establish themselves with an acceptable standard of living. They may have to adapt some of their values and ideas to accommodate the society in which they earn their daily bread, but that society may have to change some of its ideas too. Each must yield something if the two societies are to fit together in harmony and ease. Chief Dan George of the Burrard Indians has said that when the Indians of the West Coast wanted to make a dugout canoe they hollowed out a long straight cedar log and then sought another piece of cedar appropriately shaped to provide a prow for their vessel. They brought the two pieces of wood together and rubbed them, one against the other until they had a perfect, watertight fit. That is how it must be with two cultures, said Chief George, they must rub against one another, neither giving any more than the other, until they achieve a perfect fit.

The government cannot do this by itself. It requires the sympathy, understanding and assistance of the people. The Indian people

require the sympathy, understanding and the assistance of the Canadian people. The requirements start here in this committee room and extends, through the mechanism of government, out into the mainstream of Canadian life, reaching to the remotest corner of our land. If those needs are met, the problems can be solved, as they have been solved by many Indian people who are achieving their own goals in their own way.

So, my good friends, I want to thank you for your attention and I will be available to reply to your questions if you have any you wish to ask me. Thank you.

The Chairman: Thank you very much, Mr. Chrétien. Do you have some comments you would like to make, Mr. Simpson?

Mr. Simpson: Mr. Chairman, I am sure I speak for everyone present when I say that we are very pleased to have the Minister with us today at our meeting. I have a series of questions that I would like to pose. I think, however, that I will defer them at this time as they are quite lengthy. Possibly if anyone else has a few questions they wish to start off with that I will let them go ahead and then I will get to my questions later.

[*Interpretation*]

The Chairman: I have a request from Mr. Laprise to ask questions. Mr. Laprise.

[*English*]

Mr. Nielsen: Could we find out first, Mr. Chairman, if the Minister will be at any of our subsequent meetings.

Mr. Chrétien: I will be available. I have to travel a bit, you know, I have quite a large territory, and since I have become the Minister, I have been trying to visit as many places as I can. I will try to be available at any time you wish. We can work out some arrangement. I do not know when you have your meetings but Tuesday morning is very convenient for me. Unfortunately, however, I accepted a request a long time ago to be present at the annual meeting of one of the Indian brotherhoods, in B.C. next Tuesday, so I will not be here. I will be available on Thursday or tomorrow afternoon.

• 1205

Mr. Nielsen: Some of us would like to defer our questions until the Minister is with us again. Naturally, as I am sure the members will appreciate, some of us have more questions to ask than others in view of the—

Mr. Chrétien: Perhaps we can decide on the procedure, because there are many aspects of the Department for us to discuss. Perhaps we can touch at different times on Indian Affairs, the North and conservation programs.

Mr. Nielsen: Of course, my questions will principally deal with policy, but I could defer until Thursday.

The Chairman: Unfortunately there is no meeting scheduled for Thursday because there is simply no room available that day. We are trying to work out a schedule with the co-ordinator of these committee meetings. They do not like our setting up committee meetings more than about a week and a half in advance, and yet this makes it awfully difficult for the officials. We are going to try to work this out this week. Hopefully the Minister will be back with us a week and a half from now, the following Thursday.

Mr. Chrétien: Yes, I will be here then.

The Chairman: If we can arrange for a room. The members of the Committee will be adequately informed in advance. I now have a question from Mr. Laprise.

[*Interpretation*]

Mr. Laprise: Mr. Chairman, thank you. Mr. Minister, I am somewhat in the same situation as Mr. Simpson. I found out only a few minutes before the opening of the meeting this morning that you would be here for the time being, however, I shall ask only a few questions.

First of all, I would like to thank you for the very good statement you made this morning and which is full of optimism. I think that we can look with confidence to the future of the Northwest Territories and especially of the far North of Quebec of which I represent a very large area. I think that we still have a lot to do in that area in particular, and I wonder if you could inform us about the various projects of the Quebec and Federal governments regarding this part of the country which are of interest to Indians and some Eskimos?

Mr. Chrétien: With regard to the relations between the Federal government and the provincial authorities since I have been Minister, I must say that I have not encountered any serious problems. We operate on the principle

that it is first of all up to the Indians themselves to make decisions. But in Quebec, like in the other provinces, we apply a policy enabling Indians and Eskimos to have access to the same services as other Canadians within the province. But all that must be done in accordance with the interest of the Indians or the Eskimos while keeping in mind their aspirations. Whenever we can offer them some kind of solution we try to consult them. The important thing, however, is to make sure that everything is handled through consultation between the two governments and people concerned, and that is what we have done, at least, since I have been with the Department and, I must add, without meeting with great difficulties. And there have not been any major developments in that area during the five months that I have been in office. That is about all I can say right now. We pursue the same policies as we have in the past, using the principles that I just mentioned to you.

• 1210

Mr. Laprise: Now, I should like to...

Mr. Chrétien: I would like to add that economic development, in your riding, which is very important,—I know you represent the largest constituency in Quebec, i.e. all of New Quebec—as I said, the economic development of that sector is not my responsibility, but that of the provincial government.

Mr. Laprise: This morning, I would like to deal with a specific area that covers three posts. I don't know what importance your Department lends it, i.e. Rupert House. I have just been given a map. I see to my great surprise though, that this area which includes three Indian posts, namely Rupert House, Nenaska and Eastmain, is not on this map. I have a report here stating that in Rupert House 90 per cent of the population is unemployed. I would like to know if you have some kind of program which would solve this problem of unemployment in these Indian posts?

I think it would be very important if we could give them jobs enabling them to earn their living. I have a quotation from the chief of Grande-Baleine, who says: "Like any one else in the world, we have to live with the income we have". I think it is a very fair statement, and if we could improve their lot with regard to employment, it could be a very great step forward.

Hon. Mr. Chrétien: I appreciate your concern, Mr. Laprise, regarding the three posts. Obviously, in these are the northern areas the economy is often quite marginal and it is not too easy to promote economic development so as to provide Indians living there with permanent employment. We have programs the purpose of which is to bring about the necessary development. But you will understand that a lot remains to be done. Moreover these are generally communities which have lived in a traditional way, from hunting and fishing, and which today would like to enjoy the same standards of living that we have in the south. A readjustment is called for that will take a few years to achieve. But anyway, I make note of your representations and I'll ask the officers of my Department to study in greater detail the economic situation in this corner of your riding.

Mr. Laprise: Another question. And this has to do with the consumption of spirits in Indian centers. I have noticed that is a problem that exists just about everywhere in the north, particularly in New Quebec. I have a sad report on the situation. Do you have any authority to fight drunkerness in this area of Quebec?

Mr. Chrétien: Our authority in this matter applies to all reservations, with the exception of some reservations which can ask the right to buy or sell liquor within the limits of the reserve itself. It should be noted however, that if, for instance, no authorization has been granted to trade in alcoholic beverages, the source of the problem of drunkenness is often to be found outside of the reservation. They go to supposedly more civilized areas, and that is where they get used to drinking. Drinking is definitely a very serious problem in a good number of Indian localities. We have a program in our Department which enables us to make studies to try and find the causes of this and find a method to remedy the situation. But I think the best method is to offer the Indians better economic conditions or to stimulate their ambition and their pride. Then, when they reach that level of development, they'll probably want to behave themselves very well in public. It is obvious that if they continue to drink, they will no doubt be able to do it in a more rational matter.

• 1215

But, as you understand, this question of drink is a problem in every area in the process of development. You are as well aware as I am that, in my riding as well as in yours, wherever new areas are being opened up the same situation always crops up. I remember, for instance, that in localities of my own riding which was developing when I was a boy, one could often see people drunk on the street. And twenty years later, with these localities having reached a more advanced stage of development, people there may drink as much but not on the same day. It is a matter of their social and economic evolution. However, the situation is very serious on a number of reserves, and we may perhaps be able to improve the situation with the help of social workers who would explain to them the disadvantages of excessive drinking. In our program for the Indian and Eskimo reserves, we try to bring about improvements to enable social workers to give them an appropriate education in this matter.

Mr. Laprise: One last question, I think, for this morning. I have a number of others, but I think I can get information from your officials. In your statement, you mentioned the building of houses in areas such as Rupert House, in particular, where, I am told, there are only half a dozen houses fit for habitation, there are 32 tents and 35 cabins that have only two rooms for eight to twelve people. Do you also have a program for this kind of posts?

Mr. Chrétien: We have a building program for all Indian reserves according to which all Indian families were to have appropriate housing within a period of five years. But because of certain money restrictions, the program extended over a period of seven years, and we are now in the fourth year of this program's development.

Naturally, I would have liked it to go much faster, but anyway, the Department's policy is that we want to give a house fit for habitation to each Indian family and also to future families, i.e. those that exist at the present time and the new homes that are being created every year. I think that in a society such as ours, we have specific obligations to make good the lag in providing living accomodation for these people. There are areas where deplorable conditions still exist, and others where we have made considerable progress, but I must add that we had a great deal to achieve and still have a long way to go.

Our final objective is to give a decent house to each Indian family.

Mr. Laprise: One other question just occurs to me, sir, with regard to small Nemaska post. Does your Department intend to close it and to move it to Rupert House?

Mr. Chrétien: Right now I cannot answer that question, Mr. Laprise. But I will try to get some information and I will give it to you at the next meeting or I will write to you.

[*English*]

The Chairman: Mr. Badanai?

Mr. Badanai: Mr. Chairman, I am very much impressed by the comprehensive statement of the Minister. He has taken a policy which no doubt will prompt questions on the various aspects of the program. At the moment, however, I wish only to express my own personal appreciation to the Minister for this statement which should go a long way towards reassuring the Canadian people of the government's intention to deal fairly with the Indians and the Eskimo, and also to intensify the development of our national resources north of the 60th parallel.

I have several questions to ask on the educational facilities available to Indians in northwestern Ontario especially, but I shall defer doing so in order to enable all members of the Committee to ask questions of the Minister on the policy statement he made this morning.

The Chairman: Then we will come back to you on the next round. Mr. Southam?

Mr. Southam: Thank you, Mr. Chairman. I should like to associate myself with the remarks of Mr. Simpson and other members of this Committee in complimenting the Minister on his very comprehensive statement here this morning dealing with all the various facets of his Department.

• 1220

Incidentally, it has involved most of the time of the Committee this morning and, of course, it is only proper that we should have this full statement.

Going along with the Chairman's remarks of a few moments ago, I think we should set up an agenda relative to the work of this

Committee so that we can have the Minister here at a future date—if at all possible on several occasions—because, judging from his remarks and from the remarks that have already been made in the Committee this morning, we are going to be involved in quite a few discussions of the problems of Indians and Eskimos, our native peoples.

I feel that only the Minister himself should be here to get the benefit of our views before we can make positive decisions along these lines. I do not want to involve the Committee in too many questions like some of the other members this morning, but I would like some information.

While I was in Saskatchewan a couple of weeks ago on another business mission I was in Saskatoon, and I was approached by a delegation of seven Indians headed by a Mr. Howard Adams, a very articulate advocate for Indians. His problem revolved around the meeting that was held recently in Saskatchewan, I believe on September 16, where representatives of our Department of Indian Affairs were in attendance, supposedly getting views of the native people with respect to amendments or revisions to the Indian Act.

I was wondering, Mr. Minister, whether any of your officials here this morning were at that meeting who could give me a report of what went on there, because the representation that was made to me on November 8 was not a very happy one and I should like to get the other point of view. I have the Indians' point of view and I should like to hear the Department's point of view.

Mr. Chrétien: I do not know what you are referring to, Mr. Southam. In some places some of the Indians have complained because we had to make a decision to decide who should be there. We decided that really the way to discuss matters with the Indians was to ask their Chief to represent them. In some instances there are some Indians who do not agree with their representative. They say that this Chief has not been properly elected, or that Chief does not represent the majority view, only 30 per cent of the population that voted at the election, and they do not represent the real view of the Indians. Some have formed marginal associations and they wanted to be heard.

I know there was a problem, and I could give you a more detailed explanation next time. I was not there. My Minister without Portfolio was there and those who were at this meeting are not in Ottawa, because there is a meeting today in Chilliwack in B.C. If I recall the situation correctly, an individual wanted to be heard and he made quite a storm out of it, and after long discussion we permitted him to talk for a certain time, but he was not too statisfied. I will inquire into it.

The basic problem of organizing these meetings is very difficult for us. I found the best way is to go with the elected members, because I think it is essential for the Indian people to form their own organizations in a democratic way. But for many of them this is new; there are fights between them. That is normal. I am surprised when people ask what the Indian people want, because there is not just one voice for Indian people.

It is the same as when you ask what Quebec wants. If you ask me, I will tell you one thing and Mr. Laprise probably will tell you something along the same lines, but if you ask René Levesque you will have a different version of it. It is the same problem with them; the problem in Saskatchewan was one of that nature but I cannot give you the specifics.

Mr. Southam: Mr. Chairman, I want to emphasize the fact that I am heartily in agreement with this policy of going out and getting the views of representative Indians right across Canada with respect to revisions of the Act, and I asked the question seeking information. Unfortunately the meetings in Saskatchewan were scheduled early in the itinerary and the House was opening about the same time and it was difficult, in fact impossible, for some of us to get back there to attend this meeting.

I believe one member of the Committee, Mr. Thomson, was in attendance but, as I say, I stumbled on to this dissatisfaction when I was out in Saskatoon two weeks ago, so I thought I should ask the Minister. In fact, I have been presented with a brief since that time and I will forward it to his office for study, because the impression I received from discussing this matter with Mr. Adams—and this is the first time I ever interviewed this gentleman—is that he is very articulate. He seemed to be very well informed and I was inclined to agree that he had a legitimate beef, as it were, but on the other hand I wanted to get some information from your Department before I form my own conclusion on the matter.

Mr. Chrétien: We invite the Chief to come to these consultations, and at the meeting it is up to the meeting itself to decide who shall be heard. Probably he was not one of the elected chiefs; he was likely representing a group and it was up to the Indians themselves to decide. I am informed of one of the aspects; they said he is not an Indian. One of the problems we face often in dealing with the Indian people is the Métis problem, It is a very difficult one, because my jurisdiction and the jurisdiction of the federal government under the Constitution is confined to the registered Indians, but there is big population in Canada with a lot of Indian blood that, under the law, is not considered to be Indian.

Right now, that is the law. He was, perhaps, a Métis who wanted to speak but the Indians denied him the right to do so because he is not an Indian. It is one of the problems and we will have to look into it when we make revisions to the Indian Act. It is there and there is the Constitution, and we are not free to do what we want in these matters. Sometimes we find the Métis population...

Mr. Southam: I should like the Chairman and you to know, Mr. Minister, that as a member from Saskatchewan I am very interested in coming to a happy conclusion so far as developing further policies that will assist in reconciling the problems of our native people is concerned. It is interesting to note—and again I am speaking of Saskatchewan—that we have the biggest ratio of Indians to white population of any place in Canada. I think it is about 3½ to 1, so we are very interested in this and we will likely have further discussions on it. Thank you, Mr. Chairman.

Mr. Thomson (Battleford-Kindersley): Some of my questioning was to be on this subject of the meetings that have been held with the Indian people concerning amendments to the Indian Act. While the Minister is here and while we are dealing with this, we repeatedly hear that this is the first stage of meetings in regard to consultations which would indicate, naturally, to me that a definite plan has been laid out. I wonder whether the Minister could say just what he means by this first stage. He has said further meetings will be held. Will they be held with all people that have already been heard and, of course, will we be made fully aware of this before any action is taken to amend the Indian Act?

Mr. Chrétien: I cannot tell you the definite policy that we will follow, but I have been to, I think, six of these meetings personally; it is a first round of consultations. Some of the Indian people have been very well prepared and I must tell you that at many of these meetings, had there been 25 mayors of municipalities of any province, we would not have had a better level of discussion. I was very impressed.

• 1230

However, in some instances some of the Indians were not at ease, because when they come from very far away into a big hall with microphones, stenographers and so on, it is a bit difficult for them to adjust. So the first round of consultations in many instances was just to permit them to adjust to this new process. We did not have time to look into all aspects of it, and one of the points often raised was that it was very good for us to ask them generalities—we ask them 36 questions—but they would like to hear the specifics we have in mind. I think that is fair. If we really want to get their views and associate them with the new Indian Act, we should give them a chance to look into the proposals.

What I intend to do at the end of these consultations—there are two more series in addition to the Chilliwack meeting that is going on now, there is one in Manitoba and one in Alberta—after this first round of consultations we will have a meeting in Ottawa in January of all the representatives of these meetings. From there on I will, as the Minister, draft the new Indian Act. I will submit it to the Cabinet, and after that we will proceed with the resolution stage and the bill will be introduced in the House of Commons. I will send this bill to all Indian chiefs, and I would like to have a second round of consultations with them and be flexible enough, through this second round if it is needed, to adjust the legislation to their will. It is true they will not agree, but at least they will have seen the proposals and we will hear what kind of criticism they have. If they seem to have legitimate criticisms, we will change the bill.

They might attend at the clause-by-clause stage in the Committee to discuss it with you. I would like, as far as is possible, to have them associated very closely with the presentation that will be made in the House of Commons. I do not know if it will be possible at that time. It is going to take time, but I

would rather spend six months more on consultations to make sure that we have the sentiment that we really want, to have their views and not to try to impose anything on them.

My goal was to have a new Indian Act. When I arrived as the Minister I said that next year I will have the new Act. You know I like action very much, but at the same time I found that although the first round of consultation was very useful, we certainly needed to have a second round where we can study the proposals we have in mind. I will make a definite announcement of the form of the second round of consultation later after we have drafted the legislation.

Mr. Simpson: Is the Minister in a position at this time to say whether these amendments to the legislation would come before the Standing Committee?

Mr. Chrétien: Yes, definitely.

Mr. Simpson: They would be referred to the Standing Committee?

Mr. Chrétien: Yes. They will be referred to the Committee. I think that if there is a group of people who are interested and have knowledge about it in Ottawa, it is you. You should have your say, and I will hear your views. If you have sound and good amendments I will welcome them.

Mr. Simpson: You made the statement that the representatives of the Indian people, the chiefs, are the ones who are being invited to these meetings. When you go into your meeting in the Province of Manitoba, for example, is it your intention to invite all the chiefs of Manitoba?

Mr. Chrétien: Yes. All the chiefs are supposed to be invited and are supposed to be there. I do not see why I would change that policy. All the Bands have been represented everywhere else, and I do not know why any chiefs would not be invited to the consultations.

Mr. Nielsen: Not the second round, though.

Mr. Chrétien: In some Bands, they choose someone else because they find the chief is not good enough or they want to have a more articulate person.

Mr. Simpson: This is quite interesting. Who chooses someone else?

Mr. Chrétien: It is the Band members themselves.

• 1235

Mr. Simpson: Do they have a referendum on who will represent them at these meetings?

Mr. Chrétien: A referendum, yes. Or a sort of vote. I do not know how they proceed. It is up to them. I leave them free to make their choice. If a Band decides to send someone other than the chief, I can see some problems within the community, but it is up to them. I cannot make a choice for them.

Mr. Simpson: I will leave that, then. What provisions are made for expenses and transportation of these people to the meetings?

Mr. Chrétien: We pay all the expenses. We pay travelling expenses, we pay expenses when they come to the consultations, and we pay for the return trip to their homes. Everything is paid for. We also give them compensation for every day they attend. We give them $20 a day.

Mr. Nielsen: Mr. Chairman, I think a misunderstanding might have been left with the Committee as a result of the question by my colleague and the answer of the Minister in connection with all of the chiefs of Manitoba attending. This, of course, is the case on the initial round of discussions, and will likely be the case in the second round after the bill is introduced. But in the interim there is to be a meeting held in Ottawa, I understand, where delegates who have been selected from the initial meetings will be attending, and these delegates certainly will not encompass all of the chiefs of Manitoba.

Mr. Chrétien: Oh, no. There will be one or two delegates from Manitoba who will come to Ottawa in January. We cannot have all the chiefs across the country in Ottawa at that consultation in January.

It is only to review the situation in January, and we will have a representation from each of the consultations, but not all the members of these consultations.

Mr. Southam: A supplementary question here, Mr. Chairman. In view of this proposed meeting in January of the top representative group of our Native people, would it be possible for them to meet our Standing Committee for one sitting? Members here would not be able to get out to many of these other meetings to get their point of view.

Mr. Chrétien: Yes.

The Chairman: I think that would be an excellent idea, Mr. Southam. We will arrange for this in the steering committee.

Mr. Chrétien: Personally, I see no objection.

Mr. Southam: We will have to rent a big hall.

Mr. Chrétien: No, there will be about 30 people, not more.

The Chairman: This is the group in January.

Mr. Chrétien: In January there will be probably 30 people.

Mr. Southam: Thank you very much, Mr. Chairman. I think this will be very helpful to the Committee.

Mr. Cullen: The only concern is that if we have 30 people around, it is like having 30 witnesses of whom to ask questions. It is not as though they were volunteering. Would they be volunteering information or would we question each one? It seems to be a kind of cumbersome way.

Mr. Chrétien: I see your problem.

The Chairman: We will try to make out a procedure in the steering committee.

The next person on my list here is Mr. Borrie.

Mr. Simpson: Just before I finish, as I said I had quite a number of questions, but I wonder if it would be possible at one of our next meetings to obtain a set-up of the rates of welfare or assistance—I realize the Department has these—a copy for each member of the rates of assistance of a welfare nature which are provided to the Indian people in each of the provinces. I would like to find out whether they are standard across Canada.

Mr. Chrétien: No, they are not standard across Canada. We gear them to the level of assistance any white person receives in the province. We adjust our welfare programs to the welfare programs of the province. Mr. Battle will provide the figures you wanted.

Mr. Simpson: That is fine. I understand that this is the case. I am not blaming anyone in the Department, and possibly it could be the fault of some of the provinces, but I understand that there are some wide variances between assistance paid in welfare, for example in Montreal, Winnipeg and Toronto as compared with northern Manitoba or northern Saskatchewan or other places. I would like to get these figures.

Mr. Chrétien: I will make sure that you have this information for the next meeting.

Mr. Simpson: And could we, of course, include the rates paid, the set-up, for the Yukon and Northwest Territories?

• 1240

Mr. Chrétien: Yes.

Mr. Borrie: Mr. Chairman, I also have a number of comments to make but I will confine mine at the moment to one specific instance. However, I would like to say that I attended the meeting in Prince George, the consultation meeting, and if this was an indication of the kinds of meetings that have been held across Canada I think that they have been a tremendous success. The only problem of course was in respect of the Indians themselves; they were not prepared to present as much as they would have liked to have presented because, in their opinion, they did not have enough warning. However, this was entirely a fault of their own.

In future meetings of this type I might recommend that some consideration be given by the Department to allow the bands to consult with each other a couple of days prior to any consultation meetings with the Department itself. I suggest this because in their discussions there was a barrier and it was difficult to get unanimity amongst themselves before going before the Committee.

Mr. Chrétien: You feel they should consult with the Department before.

Mr. Borrie: No; to consult amongst themselves.

Mr. Chrétien: Yes; but they do that in most places. For example, I met Dave Courchene the other day in Manitoba. He is the president of the brotherhood there. He has been travelling with some of his staff across the provinces to acquaint them with the problems and so on. When I was in Calgary and Edmonton last Friday, I met Harold Cardinal, the president of the association in Alberta, and he was doing the same thing. We have provided them with funds to permit these people to consult between themselves prior to formal consultations.

Mr. Borrie: I think that the Indian brotherhood probably neglected the northern part of feel that they had a part in it.

My next question has to do with policy and the reorganization of the Department as it pertains to their field representatives. Could the schedule of Indian agents and Indian superintendents be altered so that they would be in a position to spend a little more time in the field? I understand that a tremendous amount of information is wanted by the Department from these Indians agents and superintendents; however, a job cannot be well done if these people are going to spend their time behind a desk. It would appear that they have become slaves of the machine rather than the machine operating much more effectively for them. Can the problem be alleviated so that these agents will be able to spend a little more time with the people that they are concerned with.

Mr. Chrétien: That would be very desirable. There is always a tendency to feel that there are too many people in administration—everyone feels that way. However, to control you must have adequate administration. I realize that it can become frustrating at times but administration is required to control expenditures. To collect $10.00 sometimes requires an organization that costs much more than that. However, government control is a necessity, and we try to cope with it as much as we can.

I agree that officials of the Department should spend more time with the people. We would like to see people at the band level become more actively involved in community development. We have changed our policy. Previously we had white men living on the reserves but we want to discontinue this practice because it is so important that the Indian people take their own future into their own hands and develop their own leadership. As I said, I would like to see more Indian people play a role in community development. You know, even if we are very gentle and very polite we are always white people to them. If they themselves could develop leadership it would be much better. That is why we are pulling some of the white people out of the reserves, and in many instances the Indians are quite keen to see the white man go.

• 1245

Mr. Borrie: Yes, but I was really asking for a little more freedom for the Indian Agent to act on the problems that he is confronted with on a particular reservation or with a particular band. By their having to live by the rules and within the regulations that are so stringently laid down they are not able to help the various bands progress—and this is really what I was getting at.

Mr. Chrétien: Under the reorganization we will have more specialized help for the superintendents. I would like to organize the Department in such a way that it will offer to the Indian people some alternatives and then they will have a choice. We probably will have more specialized people. Rather than having people in the field looking after small items of administration I would like to give more authority to the bands so that they themselves could look after these things; then when they become stuck on a problem the superintendent for the district could send a specialist out to help them. If we develop the reserve in such a way that the Indians themselves make their own decisions then they will build up the leadership they require. In many instances they are quite capable of doing that. They are also very eager to do it. So that rather than having a white man there telling them what to do we will just send someone out when they request our presence.

Mr. Borrie: Thank you very much, Mr. Chrétien.

I have two further questions, Mr. Chairman, on education, but perhaps I should just give notice of this one particular question, which is on the movement of Indian children long distances from their homes, really to another district.

The Chairman: Mr. Borrie, we have discussed this briefly in the subcommittee, and we propose to organize future meetings on the basis of various sections of the Department.

Mr. Borrie: I think that I agree with you, but I am more or less giving notice that this is one of the questions that I will be asking.

The Chairman: If it is all right with you, we will try to devote perhaps one entire meeting to education, and go into it in depth.

Does that complete your questioning?

Mr. St. Pierre?

Mr. St. Pierre: Thank you, Mr. Chairman. I, too, found myself with a number of questions after the Minister's statement, but I would like to defer most of them. It was a very broad, and extremely interesting, statement. Perhaps I might today just put one broad question to the Minister in return.

It is in relation to the Department's policy of making the Indians as much as possible, or in fact completely, I understand, citizens not only of the province in which they live but of Canada as well. I understand this is going to involve the transfer of a great many responsibilities from federal to provincial authorities.

Essentially any question is: What is the constitutional position on this? What happens if a province chooses to say to Ottawa, "No, we will accept no responsibility of any sort for Indians," or, "Any responsibility we do accept we will only carry out with full payment by Ottawa."?

Is the constitution entirely clear on this? Are Indians definitely and exclusively a federal responsibility, in which case any transferal to the province must be a matter of federal agreement with that province, or is there some legal opinion that Indians are not, under today's constitution, exclusively a federal responsibility?

Mr. Chrétien: You have raised a very large and complex question on a far-reaching problem Mr. St. Pierre.

As I understand it, under the constitution the Federal Government is obliged to protect the rights of Indians. I do not have the actual wording at the moment.

• 1250

There are two interpretations of that. There are provinces which say that they have nothing at all to do with the Indian people; that it is for the Federal Government to look after that. I do not agree with that. I think that the Federal Government has to make sure that the Indian people are as fully citizens of the country as are any other citizens.

What has happened in the past is that each time the provinces failed to extend any programs to the Indian people the federal government has stepped in in order to give to the Indians the services that they were not getting from the provinces. The fact, is that there is not a program that the provinces or the federal government have for their white population that the federal government has not developed for the Indian population. In education and housing, and so on, we have our fields. We cover most of the fields.

To accomplish what we want there will have to be pressure on the provinces; and the Indians themselves can apply pressure on the provinces, too. They pay taxes at the level of the provincial government. It is true they do not pay income tax when they earn their money on the reserves, but nowadays they work off the reserves and they pay income tax to both the federal and provincial governments. If they buy gasoline on cars there is a sales tax which they pay, too. They should have a return out of it that they do not have in many instances.

If we want to ensure that Indians have the same opportunity as all other Canadians, we have to make sure that they have access to the same services, and the same quality of the services at the same places. We cannot discriminate against any group of our society lest we create the problems that face other countries. They have to go in the same hospitals and the same schools, whenever that is possible; and they have to have the same welfare programs.

The provincial governments have responsibilities towards them just as we have. Our job in the federal government is to make sure that the rights of the Indian are protected, and one of these rights is that of being an equal citizen within the land, if he so chooses. If he elects to live on the reserve, in the old way, that is up to him, because it is part of the freedom of a man to choose how he lives. But so far as services and governments are concerned, Indians should be equal to white men everywhere in the country.

If the provinces do not agree the problem may be difficult to cope with, but some leaders of the Indian community have started to talk about it. I recall very well a statement made by Dave Courchene about two or three months ago. He said, "We want the provincial governments to look after us, too". In many provinces in the West they have strong political power if they choose to use it. They vote, and in some ridings they can make the difference, provincially or federally.

Mr. Nielsen: You are not talking about anybody in particular, are you?

Mr. Chrétien: Thank you, Mr. Chairman.

The Chairman: Mr. O'Connell?

Mr. O'Connell: Mr. Chairman, as are other Members of the Committee I am going to defer my questions. They cover quite a broad range in the area of policy.

I was very happy to hear the Minister say he will reappear before the Committee, but one of the questions that I would like to have more discussion on is the one Mr. St. Pierre raised. I think it would be very useful to the Committee if the Minister could make a fairly extended statement on the constitutional position.

For example, I personally would like to know whether it is considered that the Indian Act exhausts the federal responsibility as laid down in the British North America Act. I think I did hear the Minister say earlier that the Government likes to treat non-treaty Indians similarly to treaty Indians, yet in the Indian Act we seem to be confining our focus to the registered Indians.

Mr. Chrétien: Yes; but, Mr. O'Connell, some Indians are registered and are under treaty and others are registered and are non-treaty Indians.

• 1255

Mr. O'Connell: That is correct; I understand that. But I would like to have a discussion on the relationship between the Indian Act and the British North America Act, section 91 subsection 24, and a statement on how the Department interprets that legal chapter that was written and published in the Hawthorn-Tremblay Report No. 1. There is a very interesting constitutional argument in there, and perhaps Mr. St. Pierre was alluding to that, too.

It relates to the role—the constitutional and moral responsibilities—of the provinces based on a constitutional position which has not generally been understood, or put to the provinces in the past. I would be very interested in hearing a statement on that. I would also like to have an opinion from the law officers of the Crown, who, I understand, are called in on situations like this, so that we have a legal opinion from outside of the Department on what is the constitutional position as it relates to the two levels of government.

On that same subject, it would seem to me to be useful, in view of the continuing constitutional conferences, to discuss the feasibility of putting this question on the agenda of one of them so that the provinces are confronted with it at a proper level.

In addition perhaps we should consider what kind of dialogue it would be feasible to develop between Indian organizations and Indian Band representatives and the federal and provincial authorities on the constitutional position. It seems to me you require a basic dialogue before positions become hardened.

I would also very much like to hear, if it is possible at this time, a policy statement on the relations between the Government and the Indian organizations. This is a developing area. Perhaps the Minister's policy is not yet sufficiently developed, but Indian organizations are obviously going to play a very substantial and very critical role in the success of programs which are going to need financial, technical and other forms of support.

Further, perhaps we could discuss alternative mechanics for assisting Indian organizations to perform a role which, in my opinion, is going to be rather critical in the period immediately ahead of us.

Mr. Chrétien: On the constitutional aspect of it I will, as you request, try to prepare a submission and to analyze it. It is quite complex but if I can prepare a paper on that soon I will come back and discuss the position.

I agree with you, Mr. O'Connell, that the Indian associations are a very important development in the emergence of the Indian people in Canada. The more they are organized the better it will be.

I know that these organizations will create more vocal people, and that is sound. It is a sign of emergence. When people have no leadership you do not hear from them. When they begin to have good leadership you do hear from them and that helps us to make our decisions.

I will have a meeting on that. I have called a meeting of all the provincial Indian associations in Ottawa. It is going to be held on December 6 and subsequent days. I will discuss with them what kind of association they want to develop whether they want us to help them and in what way.

One of their concerns—and it is also one of mine—is that we assure these groups of their independence. Some are very reluctant to accept any money from us. I have heard some of these leaders say, "I do not want to receive any help from the Government. I want to

keep my independence." Others say they should receive finance from us. I would like to have a discussion with them to find a formula by which the Government could help them to have some type of organization and at the same time not tax them, to make sure that they have all the freedom they need to operate. I will discuss all these aspects with them when we meet in December. The reason for that meeting is for that very purpose of Indian organization, and I welcome that move from them which is very necessary.

• 1300

The Chairman: Mr. Nielsen.

Mr. Nielsen: There is not anyone here today from Northern Health Services, is there?

The Chairman: No.

Mr. Nielsen: Might I suggest that when we discuss the Indian Affairs Branch estimates again, that someone from Northern Health Services be here to provide...

Mr. Chrétien: Mr. Nielsen, it is not under my Department.

Mr. Nielsen: But the Northern Health Services look after the Indian people in my riding and in the Northwest Territories and it falls logically under . . .

Mr. Chrétien: Yes, but it is the Department of National Health and Welfare who look after it, and not us.

Mr. Nielsen: But the Branch pays for it, does it not?

Mr. Chrétien: Not my Branch. We have nothing to do with it.

Mr. Nielsen: Except paying for it.

Mr. Chrétien: No, sir, not even paying for it. Mr. Munro's Department looks after it. It is the Indian Health and Northern Health Services.

Mr. Nielsen: I just thought it might be logical to . . .

Mr. Chrétien: Logical to be with us? I do not know. I have enough.

Mr. Nielsen: I thought it might be logical—since they are responsible for the welfare of the Indians, the health of the Indian people—to have them here.

Mr. Simpson: Would it not be possible, Mr. Chairman?

The Chairman: Well, let us discuss it in the steering committee to see whether we can work it in or not—whether it is possible legally to do it, because we are not seized of those particular estimates.

Mr. Simpson: Before we rise, I wonder if it would be possible at one of our next meetings to get a rundown on the number of Indian people employed in the Department at the regional office level and at the agency level, and possibly the number of Indian people employed in our national parks? That is, the number of Indian and Eskimo people employed in the Department and at our national parks.

The Chairman: Do you have that, Mr. Battle?

Mr. Simpson: I would also like to give notice—I think we will probably have a discussion or we would like to have a discussion on Indian hunting rights.

The Chairman: The meeting is adjourned to the call of the Chair.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

LIBRARY JAN 16 1969 UNIV. OF TORONTO

Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 6

THURSDAY, NOVEMBER 28, 1968

Revised Main Estimates 1968-69

WITNESSES:

The Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development. *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29271—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	[3]Gundlock,	Simpson,
Borrie,	Howard (*Skeena*),	Smerchanski,
Cullen,	Laprise,	Southam,
Dinsdale,	Marchand (*Kamloops-Cariboo*),	Thomson (*Battleford-Kindersley*),
Duquet,	Nielsen,	Yewchuk—(20)
[1]Forget,	O'Connell,	
[2]Goode,		

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1]Replaced Mr. Durante, November 27, 1968.
[2]Replaced Mr. Buchanan, November 27, 1968.
[3]Replaced Mr. McKinley, November 20, 1968.

ORDERS OF REFERENCE

HOUSE OF COMMONS

WEDNESDAY, November 20, 1968.

Ordered,—That the names of Messrs. Gundlock and Skoberg be substituted for those of Messrs. McKinley and Howard (*Skeena*) on the Standing Committee on Indian Affairs and Northern Development.

FRIDAY, November 22, 1968.

Ordered,—That the name of Mr. Howard (*Skeena*) be substituted for that of Mr. Skoberg on the Standing Committee on Indian Affairs and Northern Development.

WEDNESDAY, November 27, 1968.

Ordered,—That the names of Messrs. Goode and Forget be substituted for those of Messrs. Buchanan and Durante on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,

The Clerk of the House of Commons.

29271—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, November 28, 1968.
(6)

The Standing Committe on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Dinsdale, Duquet, Goode, Gundlock, Howard (*Skeena*), Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(17).

Also present: Mr. Whelan, M.P.

In attendance: The Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development; *From the Department of Indian Affairs and Northern Development:* Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conversation); R. F. Battle, Assistant Deputy Minister (Social Affairs).

The Chairman read the Second Report of the Subcommittee on Agenda and Procedure which is as follows:

> Since the estimates before the Committee must be back in the House before Christmas and since December 12, 1968 is the last day that there are any Committee rooms available because of a Dominion Provincial Conference it is the recommendation of your Subcommittee that the Committee
>
> 1. Finish examining the Minister, the Hon. Jean Chrétien, on Thursday, November 28, 1968.
> 2. Call a meeting of the Committee on Friday, November 29, 1968, at 9:30 a.m. to discuss "Jobs-education, retraining and employment of Indians and Eskimoes" and to have officials from the Department of Indian Affairs and Northern Development along with appropriate officials from the Department of Manpower and Immigration.
> 3. Continue discussion of "Jobs-education, retraining and employment of Indians and Eskimoes" on Tuesday, December 3, 1968.
> 4. Because additional oil leases in the Northwest Territories are to be auctioned in January of 1969, to call officials from the Resource and Economic Development section of the Northern Affairs Division, from Pan Arctic Development Corporation and outside witnesses if deemed necessary on Thursday, December 5, 1968 and on Friday, December 6, 1968.
> 5. Leave Tuesday, December 10, 1968 open for further examination of oil leasing policy if deemed necessary and during that last week to

finish the business before the Committee and prepare a report to the House with any recommendations that the Committee decides to make.

In respect to section one of the Subcommittee report, the Chairman added that he would like to also call witnesses from the Department of Regional Development who are responsible for designating areas.

Mr. Badanai moved that the Second Report be concurred in with the addition that the Chairman had made. After discussion it was

Agreed:—That the Second Report of the Subcommittee on Agenda and Procedure along with the addition of the Chairman be concurred in.

The Chairman announced that following the meeting of the Committee there would be a meeting of the Subcommittee on Agenda and Procedure and then introduced the witnesses.

The Minister of Indian Affairs and his officials were questioned.

During questioning on motion of Mr. Dinsdale, it was

Agreed:—That the Return to motion number 20 adopted by the House of Commons on October 16, 1968 containing copies of directives issued by the Department of Health and Welfare on health services to Eskimoes and Indians be circulated to the members of the Committee.

On motion of Mr. St. Pierre, it was

Agreed:—That the paper Indians and the Law tabled by Mr. Battle be made an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix "H"*).

At 1:15 p.m. the questioning of the witnesses continuing, the Committee adjourned to Friday, November 29, 1968.

Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, November 28, 1968

• 1110

The Chairman: Gentlemen, I see a quorum. Will the meeting please come to order.

May I read to you the report of the subcommittee.

(For text of the Report see Minutes of Proceedings.)

Mr. Southam: I am very pleased, and I am sure members of the Committee are, to see the Minister with us this morning. Can he give us his assurance that he will be with us for the balance of these meetings on the estimates. I think it would help to expedite our work if he could be present for each and every one of them.

The Chairman: Mr. Southam, it was the feeling of the subcommittee that if we are going to be at all useful as a committee we would have to get into a few items in detail. That is the reason for taking two meetings to go into jobs, education, retraining and employment of Indians.

With all due respect to the minister, because a good deal of what we will be considering will be fairly detailed, answers will be supplied by his officials. However, if the Minister wished to come, and if the committee feels he should come, I am at your disposition. It was the feeling of the subcommittee that if we were going to be dealing with these things in detail we would be asking for expertise from the Department, and this would not necessitate the presence of the Minister. Perhaps we could leave it this way, Mr. Southam: that if at any time during the proceedings, either on the job question or on the oil leasing policy, we feel we need the minister, we could advise him, and I am sure he would come.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I will be around. I do not expect to be away.

Mr. Southam: My point in bringing it up, Mr. Chairman, is because the House, as you know, is dealing with proposed amendments to the rules, one of which is to refer a lot of this work to estimate committees. I think if we are to expedite the work of this committee and to do so efficiently, we should have the minister on every occasion that it is humanly possible. We appreciate the expertise of the officials of the department—they are all very capable of giving us information—but when it comes to a matter of discussing policy only the minister can comment. I think his presence is important to this whole new approach to committee activities.

• 1115

The Chairman: Does the suggestion I have made meet with your approval, Mr. Southam: that if we find during detailed consideration of this particular aspect of the department that we need the minister, we will call him?

Mr. Southam: I have made my point. Perhaps other members of the Committee would like to comment on it.

Mr. Simpson: You mentioned two specific areas, Mr. Chairman, as I understood it. It is quite possible that when discussing other areas we would want to have the Minister present.

Mr. Chretien: I will be around anyway. It may be that there will be a cabinet meeting at the same time. However, I will be around and whenever you feel that I should be here I will be glad to come.

The Chairman: Does that satisfy the members?

Mr. Howard (Skeena): Regretfully, I was not able to be at the steering committee meeting that dealt with this matter. Had I been, I would have raised there what I want to raise now.

This committee is probably the most important committee we have in Parliament in the total sense of dealing with the rights of people. Indian affairs relates to the fundamental rights of people from even before they are born until after they are dead and buried. It

has always been my thought that the Committee should be given an opportunity to visit these people in their homes and in their communities so that we can make an accurate appraisal of the situation from their point of view—not just a one-sided venture, with all due respect, on the part of officials of the Department. We have tried to bring this about in previous committees but we have floundered and have been unable to do it for a number of reasons. I realize there is something in the wind about this but I just want to voice the thought that this opportunity to visit should be of paramount concern to us. Perhaps it might be said that there is a peculiar reason that we cannot do it this time, but this was the situation last year, the year before and the year before that. There was always a peculiar situation which prevented the committee from doing it. I think it is stretching the point too much to continue to delay the visitations.

The Chairman: Mr. Howard, I could not agree more. I was about to announce that we were going to hold a steering committee meeting immediately after this meeting for that very purpose.

Mr. St. Pierre has written to me in the last couple of days suggesting that the committee should visit the Northwest Territories, more specifically Yellowknife, some time during January when the Northwest Territories Council is meeting, and that we should perhaps visit an Indian reserve or two close by. We intend to discuss this and other suggestions in the steering committee meeting, if you can be there, right after this meeting.

Mr. Howard (Skeena): We have all sorts of itineraries similar to that; it is just a matter of resurrecting them.

The Chairman: Is it agreed that the report of the Subcommittee on Agenda and Procedure be concurred in?

Some hon. Members: Agreed.

Mr. Dinsdale: Are we keeping item I open?

The Chairman: Yes. The witnesses today are the Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development; Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation) and Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs).

Mr. Chrétien, you have the floor. Mr. Borrie has indicated that he has a question.

Mr. Chrétien: I do not have any statement to make, Mr. Chairman. I made my statement last time and if anyone wishes to ask questions I will be glad to answer them.

Mr. Borrie: Mr. Chrétien, I am afraid that this does not relate to anything you said at the previous meeting but it is a reasonably well-known fact that the Premier of British Columbia does not offer to accept or to take over anything unless there is a fair return—by a fair return, I mean a substantial return. I am wondering whether the Premier of British Columbia has made a formal application for the acquisition of the Yukon and parts of the Northwest Territories and, if so, what the opinion of the Department is on this. Is it your opinion that he is flying a kite at the present time, or has he actually made a formal application?

• 1120

Mr. Chrétien: I have not received any letter from the Premier. I read about that in the press. I take it as a compliment to the work we are doing in the north—because we are now finding some returns after the long-term investments we made there—that there are some people interested in taking it over. If he writes to us and raises the question, we will look into that, but I do not think we should play football with the Yukon—even with the Grey Cup game being played next Saturday.

An hon. Member: Hear, hear.

Mr. Chrétien: It is a serious matter. We have worked in the north many years. The Department has made a good deal of effort to try to develop the natural resources of the Yukon and the Northwest Territories. What Mr. Bennett is looking for is probably the best part of both: he would like to have the Yukon and the Mackenzie district but he does not seem to be too much concerned about the people who live there. I am concerned because the Eskimo people live in the Northwest Territories and I think we should take them into account. What annoys me most is that he wants to let them alone. I do think the development of the resources in the north should be for the benefit of the native people who live in the north and for the old Canada too. If he writes to me I will write him back. I have written to him previously and he has not replied.

An hon. Member: That is customary, Mr. Minister.

Mr. St. Pierre: I wonder whether the Minister might consider offering to Mr. Bennett and to Mr. Manning that you take over sections of northern British Columbia and northern Alberta and form a northern province. The northern portions of those provinces have not been well developed by the present governments.

Mr. Chrétien: Many people in the northern parts of provinces are not too well satisfied with their governments. I will not comment on the internal administration of British Columbia. It is serious matter and I have said what I have to say. If you wish to make any suggestions to Mr. Bennett about the administration his province, you can do that, but I do not think it is my responsibility to do it—unless it is relevant to the Indian people who live in British Columbia.

Mr. Dinsdale: On a supplementary, Mr. Chairman. This is not the first time that Mr. Bennett has raised this question. I am wondering whether there was ever any occasion when he has raised this question in public where there has been an official contact with the Department?

Mr. Chrétien: He has not written to me in that connection since I was appointed minister and I am advised that he never wrote a letter to the federal government on that—he talked to the press.

Mr. Thomson (Battleford-Kindersley): I would like to comment about Mr. Bennett. It seems to me he is sabre-rattling. That is the impression I get. This is really not what I wanted to talk about, Mr. Chairman.

I attended a portion of the consultation meeting in Regina and one thing disturbed me quite a bit. It seemed to me that those who attended the meeting, including the representatives of the bands who were there, were concerned primarily with the Indians of my age and older who live on the reserve. They were concerned with treaty rights and what they were going to do about people this age.

The question I wish to raise, sir, relates to the younger Indian. I am quite concerned about them. I did not see too many at this meeting nor did I hear too much comment about them in this respect. I am thinking in terms of those who are now finishing high school and those who are attending university and who have no desire to go back to the reserve as such but wish to have a job, a home, a car and live like everyone else in Canada. I am quite concerned about our thinking in this respect that we think of these people in terms of their going back and living as their forefathers have lived on the reserve. I would take strong exception to this type of attitude.

I attended only one meeting and I am not sure what went on at the others, but if that was the extent of the concern shown I want to draw it to the attention of the Minister.

Mr. Chrétien: I saw the same thing too in some places. I heard complaints that the younger generation was not too well represented at these meetings. However, we asked the bands to delegate people to attend but they elected to send the older people. This was not the case in my riding; they elected a young man. However, in other ridings they elected older people. This is what happened in the Indian communities.

• 1125

As far as the problem of the younger generation of Indians is concerned, I do think that we have to provide them with a choice. I agree that many of them want to have a good job, a home, a car and live the same as other Canadians, and I am in complete agreement with you. I think we should make it possible for the Indians to share both in the advantages and responsibilities of being Canadian. I would like to see all Indians have the same opportunity as every one of us. They should be equal citizens within the land. They should be allowed to keep their culture and tradition, if they decide to do so. What we have to give the younger generation is a good education in order to give them the mobility that they need to make a choice. If they choose to live on a reserve, we have programs and we will try to help them, but if they choose to leave the reserve and make their way within the Canadian community, we will welcome them.

We have a program now to help Indians who leave the reserve, move into cities and try to find houses. We would like to follow the Indian off the reserve if they make that choice.

Mr. Thomson (Battleford-Kindersley): Could I make one further comment, Mr. Chairman. I have observed reserves in my riding and it seems to me that the Indian who is willing to live on social aid is really well looked after. However, the ones with whom I

am concerned, who wish to farm a little bit, do not get any financial aid. They cannot borrow money as I, as a farmer, can. There are frequently good bands on these reserves and some of these people actually need a little help—even it it is only to put a little gas in a tractor to enable them to grow a garden. I know of some who are attempting not only to farm but to start a little business on the reserve. These people have trouble. I am not sure why, but they do tell me that they have trouble getting any assistance to move up, if you will, a step at a time. Perhaps many of them are only able to move up a step at a time, but I would like to see some interim assistance type of program to help these people who wish to farm on the reserve and have shown some initiative. They may have an old second-hand tractor and other equipment but they lack cash to actually run this equipment. I would like to see further assistance given in this regard.

Mr. Chrétien: Mr. Thomson, we do have programs to help them in these circumstances but I personally find that they are perhaps a bit limited and we have to improve them. Recently the government has agreed to put the Indian farmers on the same level as any other farmers in Canada.

You were in the House of Commons when we discussed the Farm Credit Act and the other one—I think that we intend to proceed with the Farm Machinery Syndicates Credit Act. In order to permit the Indian farmers to have access to the same money market as any other farmers, we must put them on the same level. There is a great possibility, I understand, for some Indians to go into the farming business. They have lands and they can develop those lands if we help them. In order not to put them in any position of disadvantage, we have changed some of the laws that we had to help farmers. These laws will now be used to help the Indian farmers as well.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I had not intended to say any more, but I would like to make another comment in relation to this. I commend the government for the steps it has taken in this regard. However, I do not think that many of the Indians I am referring to are in a position to take advantage of this. They do not know enough about farm management to take advantage of some of the things you are suggesting. Some may and that is fine, but I am talking about an interim measure—you have to walk before you run and so on. I am suggesting that there is perhaps room for more help on this level. I have seen this with my own eyes and I want to stress this point.

Mr. Chrétien: Thank you for your suggestion. We have some programs and I am aware of the problems of those who have not achieved—as you say, you have to walk before you can run. These people are sometimes in a bad position because when they go to the bank they perhaps do not offer the best credit. We have to develop some programs. We have some programs and we have to ameliorate them to help those people who want to make a future for themselves. I think that is a very good idea.

The Chairman: Mr. Yewchuk has a supplementary, I believe.

Mr. Yewchuk: Yes. I just wanted to ask a question pertaining to the Farm Credit loans which you brought up, Mr. Minister, stating that the Indians will have the same access to the money markets as other people. From my understanding of the Farm Credit Act, any one reservation will be able to borrow up to a maximum of $100,000, which is equivalent to what any three white farmers can borrow. Some reservations may have as many as 100 or 200 farmers, but they are entitled only to a maximum of that which can be borrowed by two or three white farmers.

Mr. Chrétien: I do not think you understand this. The problem is that as a band they cannot borrow more than that, but the individual members of the band can borrow and they can form groups to borrow. The band as a legal entity will be able to borrow only that amount. Within the band you might have 100 farmers who can borrow money as individuals, but the band as a legal entity will be limited to that amount. There will be 100 possibilities if there are 100 individuals.

Mr. Yewchuk: Then I misunderstood that Act. Are you able to be any more specific as to what Indians will be able to use as security to get loans? Will these be backed by the government?

Mr. Chrétien: As they cannot mortgage their land, the loan will be guaranteed by the Minister of Indian Affairs and Northern Development. As the Indian Act now stands, they have not the right to mortgage their land and I have to guarantee the loans to the Corporation. We will probably use the same criteria that we use for other farmers.

Mr. Gundlock: Is this a fact? For instance, can 20 farmers within a band, within a reservation, take advantage of this loan? Or is there a limit?

Mr. Chretien: There is no limit. Twenty farmers can borrow for themselves but the band as such...

Mr. Gundlock: On a reservation?

Mr. Chretien: Yes.

Mr. Yewchuk: Then any three indians will be able to borrow the same amount as any three white men?

Mr. Chretien: Yes. The same thing will apply to the Indian as applies to the white man.

Mr. Yewchuk: Can you give me any idea when this will become law?

Mr. Chretien: I do not know. The bill has not been enacted yet. It is being studied in the Senate.

Mr. Yewchuk: I just want an estimate, sir. Can you give me an estimate?

Mr. Chretien: Probably by Christmas. It is up to the Senate now and we will have to wait for Royal Assent.

Mr. Marchand (Kamloops-Cariboo): I would like to say that the Farm Credit Act, the Farm Improvement Loans Act and the Prairie Grain Advance Payments Act have received Royal Assent.

Mr. Chretien: The bill was handled in the House of Commons by the Minister of Agriculture and we work in collaboration with the Department of Agriculture on that. If the bill has received Royal Assent, it is in effect now.

The Chairman: Mr. MacDonald.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): To supplement what the Minister has said, we are working on the guarantee procedures now which will be somewhat similar to those employed with respect to housing loans and so forth.

The Chairman: Have you a supplementary, Mr. Simpson?

Mr. Simpson: In relation to this legislation, what is the procedure going to be? Do Indian people who wish to make loans in relation to agriculture apply to the Indian Affairs Branch or do they apply directly to the Farm Credit Corporation?

Mr. Chretien: To the Farm Credit Corporation. And if the Farm Credit Corporation find that they have a good case, they will make the loan to them and we will have to give the guarantee for repayment.

Mr. Yewchuk: What will be a good case?

• 1130

Mr. Chrétien: The same case as any other farmer.

Mr. Yewchuk: Well, the Indians cannot have that sort of case because most of them do not have anything. Until now they have had to deal on a community basis. What I am saying is that each individual cannot say, "I have so much plowed field, so much machinery and so much of that; can I get a loan?" Most of the Indians in my riding are very poor. They do not have any of these things and anything the group does own is on a communal basis. This is why I wanted more details on this.

Mr. Chrétien: You are asking a quite technical question. This is new; I do not know exactly what will be the procedure to judge a good case. We are working on the mechanism. I hope that they will be considered on the same level as any white farmer, that they will be in a position to ask for a loan and that they will be judged on the value of the land, the possibility of return and so on. But I understand there will be some problems. That is why we have to develop a mechanism that will permit individuals to borrow as individuals. Perhaps it will be a new procedure for them but my department will do everything possible to make the adjustment as easy as possible. It is a technical problem. I cannot give you an answer today.

The Chairman: Mr. Dinsdale has a supplementary question.

Mr. Dinsdale: This is the problem with this legislation. I know the Farm Credit Corporation has very rigid standards even for loaning on regular farm operations. I was wondering whether the Inidan applicants are going to be under the same terms, which are almost exclusive in terms of the present Indian assets, or if there would be an advisory council to assist the Indian in adjusting to the requirements in order to get him off the ground in the initial stages? Otherwise, there will be no Indian individuals or even groups of three

eligible for the loans. In other words, it will be administrative exclusion.

The Chairman: Mr. Chrétien, can you answer that?

Mr. Chrétien: It is a new policy. This policy has been designed to permit the Indian farmers to develop in the same way as any other farmers. I know that perhaps in the adjustment to that we in Indian Affairs will be obliged to help the Indians develop the mechanism that will be needed to get them the loans. Perhaps it will be our part of the job to make sure that the Indians who qualify get the loans. We will guarantee the loans, so we will be involved in helping the Indian farmers to develop. We will have a part to play in it and since we have the government's willingness to go ahead with this legislation to help the Indians, you can be sure that we will make certain that this law will, in fact, help the Indians. There is no point in having a law that does not work. We will have to develop the mechanism to permit the Indian farmers to get the loan.

Mr. MacDonald: While the amendment is designed to admit the Indians to participate in an existing scheme of assistance, they will probably be at an advantage as a result of the overriding guarantee provided by the Minister of Indian Affairs and Northern Development. This will overcome a great number of the security problems mentioned earlier. In that sense, they will probably be at an advantage, because there are no caveats to the Minister's guarantee.

Mr. Dinsdale: His credit is better than some of my farmers'.

Mr. Yewchuk: I am wondering whether you could give us some idea when you will draw up a list of qualifications. Are you working on this now?

Mr. MacDonald: The qualifications will be those which prevail with respect to the operations under the Farm Credit Act now. Admitting the Indians was not a change in the structure of that Act; it was merely to admit the Indians. With the overriding guarantee by the Minister, I suggest that there will probably be an advantage because it will be far more clear-cut. That would be the case in many areas. We are working on the guarantee procedures and we will have these available for the Committee's information just as soon as possible.

Mr. Yewchuk: The psychological attitude of people who have loaned money to Indians in the past is going to be a difficult thing to change. From my knowledge of Indians attempting to borrow money, they have almost never been considered reliable people.

Mr. MacDonald: This is not the attitude which prevails with respect to the guarantees now being given by the Minister on housing, for example. The Indian does now borrow for all reserve housing where the same problems of credit arise as a result of the lack of individual ownership of land. They have not acted as a deterrent nor do I imagine they will act as a deterrent in this case. For that reason I suggest, as I suggested earlier, that the Indian will probably be at an advantage now.

The Chairman: Mr. Simpson, do you have a supplementary question?

• 1135

Mr. Simpson: It is along the lines of Mr. Dinsdale's inquiry. I think this is one of the things that concern a great many of us here in relation to how the Indian people are judged in comparison to a non-Indian person who is, say, in agriculture and desirous of obtaining a loan. I understand that the department already has avenues available for the Indian people to obtain loans, but I am forever getting complaints from Indian people who apply for these loans and are not able to get them. I have not been able to dig into all of them, but in some of the cases it appears that they have probably been judged, in the eyes of someone, as not being capable of looking after this. Therefore they do not get the loan.

I think it would be interesting if we could find out just how many loans have been made through the Indian Affairs Branch in relation to Indians wanting to go into business in an adjacent town or wanting to go into agriculture on their own or for any specific purpose to make themselves self-sufficient.

The Chairman: Mr. MacDonald, would you care to answer that? Or Mr. Battle.

Mr. R. F. Battle (Assistant Deputy Minister (Social Affairs), Department of Indian Affairs and Northern Development): Mr. Simpson, there are a variety of schemes that are operating now. There is a revolving loan fund which I think most of the Committee members are familiar with. This has been a fairly limited fund in the past but we have been

able to get additional appropriations in the last couple of years. Loans are now being made from that fund. The applicant has to meet certain requirements. If it is very obvious that he is not going to be able to make repayments, he does not get a loan. On the other hand, it may be a case of bringing into play not only a loan from the fund but some additional moneys in the form of grants and aid. This is being done at the present time. There are a number of these combined grants and aid and revolving fund loans in operation. The Farm Credit Act will simply expand the field of credit available to Indians and I expect that the ones who will make the most use of it are the ones who already have managed, through the revolving fund loan and other forms of grant, to get themselves started. What they need is a big push to expand their operations. These are the ones who will most likely, in the first instance, use the Farm Credit Act loans.

In the meantime, we must carry on with our present revolving loan program and have it expanded again, getting additional funds and combining this with band funds and grants in order to get more farmers started. This is the general program.

Now, there will still be some who will not qualify for loans because they simply will not be able to make repayment. I think this is a fact of life that exists not only on the reserve but off the reserve as well.

Mr. Simpson: You say, Mr. Battle, that the percentage of treaty Indian people who have applied for loans and have been refused is abnormally high. You would not have the figure of the number of non-Indian people turned down for loans, but would you say that the percentage of Indian people who have inquired or applied for loans and who are not able to qualify is abnormally high?

Mr. Battle: No, I would say not.

Mr. Simpson: Not?

Mr. Battle: I would say not.

Mr. Dinsdale: I have a supplementary concerning this revolving loan fund, Mr. Chairman. This is one of the problems we have had with economic development of the Indians in my own constituency. It happens that I had an S.O.S. call as recently as yesterday. There is a handicraft course that has been taking place in the city of Brandon and they have been making available the results of this course to the public. There has been such an enthusiastic response that the demand far exceeds the supply.

Now, the project began as a handicraft course, a small amount of money was made available for this purpose but the sudden development of a retail outlet had been unanticipated. The information I received—it was a sort of emergency appeal to the member of Parliament, I suppose—is that there is no further money available to carry on this program and, as a result, it will be closing tomorrow.

I have talked to the officials in the West and if this revolving fund is available in order to encourage economic development of this kind—I think it is the first of its kind in any community—why can it not be made available for this particular project? A relatively small sum would be required to at least keep it going until after Christmas.

It has been an unexpected success, as have indicated. The officials who are in touch with the program indicated to me the demand far exceeds the ability of the Indian folk to supply these handicrafts. It would seem to be a good economic experiment, at least until after Christmas, to see whether it could become a permanent retail outlet and a worthwhile contribution to the economic stability of at least the Sioux Indians in this part of the country.

Mr. Battle: I am not familiar with the specific project you mention. The revolving fund is available for this kind of thing.

Mr. Dinsdale: Who should I approach then?

Mr. Battle: I shall be very happy to look into it. This is a matter that is urgent.

Mr. Dinsdale: Will you get in touch with Mr. Connolley?

Mr. Battle: Yes, he is the man.

Mr. Dinsdale: Or Mr. Meyer who is directly in charge of the community development. He is quite enthusiastic about its unanticipated success but they are stymied. They are going to try to take it to the community today in the hope that they might get community response to carry on, but this is one of the problems I find with many of these programs that are announced with great fanfare—the level of expectations is raised to the sky and nothing results and the second state is worse than the first.

Mr. Chretien: It is a specific case and Mr. Battle will look into it this afternoon and we will be in touch with you.

The Chairman: Mr. Howard indicated he had a question some time ago.

• 1140

Mr. Howard (Skeena): It is really not a question; it is more a series or a conglomeration of them, but I have something I would like to raise which is rather current in terms of the difficulty relating to the Garden River Reserve people over an election of the council there.

Perhaps the best thing I can do is to read a short petition that has been signed by a number of members of the Garden River Reserve. They have asked me to raise this. It is dated November 20, 1968 and sets out circumstances surrounding the election there from the point of view of people who signed the petition.

> We the undersigned are members of the Garden River Reserve. We strongly oppose the idea that we should be forced to hold another nomination; and, election for councillors of our band.
>
> The reasons for our not wanting this are these:
>
> Notices were posted on Oct. 10th, which stated that Nomination Day was to be on Oct. 17th; and, that positions were open for chief and five councillors. But then, on Oct. 24th which was the election day, we were advised by our Superintendent A. R. Aquin at 9.00 A.M. that we were to vote for six councillors. This was because our band membership was 604.
>
> This we also did in good faith. One chief and six councillors were elected on that day.
>
> Each of the six elected councillors were sent a letter of congratulations by the Superintendent of the Sault Ste. Marie Agency on October 31st, last.
>
> On November 5th, last, each of the six elected councillors was sent a second letter. This said that we were two members short of the 600 membership needed to have six councillors. We were then told that the six councillors could not hold office; and, that we would have to hold another election. Only, this time we would have to vote for five councillors, as originally stated on the Nomination Posters
>
> We feel that our first election was legal and that the six councillors should remain as elected. We base our feelings about this on the, "Handbook for Indian Band Chief and Councillors," Page 2, Paragraph 2.

A document, as an aside, Mr. Chairman, that is produced by the Department. Paragraph 2 reads in part as follows:

> However, an exception may be made and the number of councillors may be increased or decreased with the consent of the minister if, for some good reason, the number of councillors based on population is not satisfactory. The views of the majority of the members of the band with respect to any change would have to be obtained.

That is the end of the quotation.

> In view of this, why is it not applicable in the case of the Garden River band?

The signatures on the petition, Mr. Chairman, range over three and a half pages—perhaps 60 per page—so there are a couple of hundred signatures

With respect to this, there is a newspaper item in *The Sault Daily Star* of November 23 in which a Mr. Eric Boyd is listed as head of the Indian and Eskimo board, but I understand his official title is Chief of the Indian-Eskimo Bureau of the Department and when he was told this he is quoted as saying that they will not have a legal council for the next two years and also that an Indian band is the same as any municipality and must abide by the law as set down in the Indian Act. There was a special meeting held apparently on a Friday night—I do not know on what date—to make further nominations. The newspaper article says:

> After two hours, from six to eight, the nomination meeting was declared closed. During the two-hour wait, band members and interested persons drifted in and out of the school or stood in huddled groups in the hallway or outside. But not one made any effort to nominate a candidate.

The position of the petitioners, I gather, who incidentally are here in Ottawa today, is that the election was legal and should be validated. The Minister has authority to do this under the Act. I do not want to get into a controversy about it, but I was asked to raise it which I have done. On the surface it seems a little ludicrous.

Mr. Chrétien: Yes. I think I will meet the chief this afternoon. He has asked to meet with me and I will meet with him. Personally I feel it is basically a legal problem. Apparently the Indian Act is quite rigid on the formalities that we have to follow for an election and I wonder whether I have the legal right retroactively to correct the situation.

I will discuss this with the chief this afternoon. If I can do something, I will probably try to do it but perhaps I cannot under the law. I will be in touch with the chief this afternoon and I will ask for legal advice from the legal advisers in the Department. I will do what it is possible so as not to have any controversy. If it is possible perhaps we can go along and keep these people in office but if it is not possible legally, I will be obliged to apply the law.

I do not know the case right now. I want to discuss it. I thank you for raising the matter. I will study the case and try to make a decision as quickly as possible.

• 1145

Mr. Howard (Skeena): I raise it, Mr. Chairman, in the framework of the activity that is going on at the moment surrounding local government and control of affairs by people in the democratic process that we are trying to see established.

I raise it because it seems akin to our concept of democracy and control by people of their own affairs, that the wishes should prevail rather than the strict technicalities that may exist. I know how reluctant the Minister is to have such great authority and power over the affairs of people as he has under the Indian Act.

Mr. Chrétien: Yes, I agree, but the Act is there and we have to apply the law. If it is possible to do something, I will. If I cannot, we will have a new election. It was an error by an official of the Department who gave them six members rather than five. I feel badly about it, but the law is the law.

We are consulting the Indians to find out what kind of election and what kind of operation we should have at the level of the band, because I would like to see the Indian people administer their own affairs. In an election the municipalities have to follow the law the provincial government has laid down.

Mr. Howard (Skeena): Well, I am sure you do not feel half as bad as the people of Garden River do. In any event, Mr. Chairman, there is another matter of extreme concern over housing. It is not uncommon on any reserve, in any Indian community, to find two and three families living in the same house, not very spacious homes either by any of our normally accepted standards.

A couple of years ago—in fact, it was on St. Patrick's Day 1966, I believe—your predecessor made an announcement about a five-year $112 million housing, sewage, water, roads system program. When Mr. Sharp was Minister of Finance, just about a year ago now or just prior to last Christmas, in the austerity program stretched this five-year program beyond recognition. I would like to know in some detail what exists now in terms of housing programs for native people; what money is available; the down payment requirements; the financial arrangements; the distribution by agency or province—in other words, a fairly complete detailed breakdown of the housing program because so many native people are inquiring about it.

Mr. Chrétien: We have built 5,500 houses since the program started. It is true the program has been stretched from five years to seven years. Concerning the detailed question you just asked me, no doubt Mr. Battle can...

Mr. MacDonald: We will have to able that.

Mr. Chrétien: We can prepare a statement to give you all the answers you want.

Mr. Howard (Skeena): Yes, I did not think you would have it immediately available but it is something that a number of people have asked me about. Since the stretch-out, the absorption of the five-year program into the annual budgeting process which takes place, I know of no native people who are too clear on what is available. Many of the Indian agents do not know just what the plan is. They cannot explain it in any meaningful way.

Mr. Chrétien: All right, we will prepare a statement on that.

The Chairman: Mr. Howard, perhaps I should mention that at one or more of our steering committee meetings we discussed the agenda not only up to December 12 but also into next year. It was the hope of the members of that steering committee that after Christmas it would be possible to look at the housing situation in depth after we had visited some of the reserves and seen some of the

projects in operation. Hopefully we will have this material by December 12. This will give us an opportunity to look it over, and then perhaps we can have a look at some of these projects in January or early February.

Mr. Howard (Skeena): I think we will often find that statistics and reality do not meet one with the other.

Mr. Dinsdale: Mr. Chairman, I have a supplementary question on the off reserve housing program, which I think is a very vital aspect of the new housing development. I had a communication on this subject a short time ago which set out certain statistics with which I will not burden the Committee. I am interested in this off reserve housing program. It is administered by the Veterans' Land Act. Apparently it has come under the same freeze as the V.L.A. program, with the result that we have lost several opportunities to have families suitably housed in the city of Brandon, for example. I imagine this would also apply in other parts of Canada. The funds were not available and therefore the properties could not be obtained. Is this a general problem and is there any solution for it?

• 1150

Mr. MacDonald: I am informed there was a brief period when we ran short in our $1 million fund, but this has since been refunded and there is no financial impediment to the off reserve housing program.

Mr. Dinsdale: Are you quite certain of this?

Mr. MacDonald: We shall have to...

Mr. Dinsdale: The information at the upper level unfortunately does not seem to get down to the lower level.

Mr. MacDonald: The applications are rolling in from the lower levels, so they must have the information. That is where they come from.

The Chairman: Mr. Howard, do you have some further questions?

Mr. Howard (Skeena): Yes. With reference to this off reserve housing program, it is more a question of filing information, which I am sure is well known, but there is more red tape involved in this off reserve housing program than is normally the case in dealing with the Indian Affairs Branch. In my opinion it is overrun with red tape in many respects. I do not say that unkindly; it is just part of the system that exists.

I know a number of native people who have applied for off reserve housing assistance or to come under the program. These applications go between the agency office in Prince Rupert or Taurus, or wherever it might be; the commissioner's office, which is in Vancouver; the V.L.A. office, which is in Vancouver and the local representative of V.L.A. in northern British Columbia. He has nearly half the province to look after in addition to his other work under the Veterans' Land Act in connection with farm credit, and the like. Between these four government offices or agencies there is what might be called a circuit of correspondence. I have followed some of these applications and they go back and forth from the commissioner's office to the agency office and back again, and then to V.L.A. and back again. They double check and question, and in all of this a tremendous amount of misunderstanding develops. As a consequence, people who apply for some assistance in good faith and in good hope find that months and months and months drag on. For many of them it does not seem to come to any conclusion. I am passing on this information in behalf of people who have complained to me about it. I am trying to represent in parliamentary terms the expressions they have used in their objections to this program, which have been quite severe in terms of language.

It would certainly be helpful if you could eliminate some of this confusion.

It would also be very helpful if you could eliminate the requirement—which I understand is unique to this program—of having the contractors who build the new homes bonded. This seems to be another rock on which it founders. It is not so much a bonding system as it is an insurance system, and normally these contractors do not get involved in becoming bonded to ensure that their commitments will be carried out. It is difficult to find these people. It pretty well excludes the requirement for bonding or insurance. It pretty well excludes the native people from trying to build a home, which many other people can do. If you could get your scissors and snip some of this red tape it would be very helpful.

Mr. Chrétien: I understand this is a problem with any large administration? There is often a lot of red tape. Sometimes I am inclined to believe that in order to save $20 you must spend $100 to make sure you do not make that mistake. In your administrative

operations you have to be quite careful about the money that comes from the public. I have found in some cases that perhaps too many people are involved in the decision making. In the revision of the new Indian Act I would like to simplify a good many of these things in order to speed up decisions. Under the present Act it is often the case that the decision has to be made by the Minister. I sometimes find myself signing letters approving a loan of $2,000 for someone who wants to borrow from Central Mortgage and Housing Corporation, and so on. It makes me somewhat angry, because I think I am rather busy and it takes some time to come from the reserve to my desk and then go back. I hope in the revision of the Indian Act we will be able to eliminate some of these things in order to speed it up. In many instances it is frustrating, and it is even more frustrating when documents appear on your desk three or four months after the application has been made. We will try to eliminate some of this.

• 1155

Mr. Howard (Skeena): Mr. Chairman, it is not—

Mr. Chrétien: I think Mr. MacDonald would like to make a comment on the Prince Rupert situation.

Mr. MacDonald: Yes. I think the problem raised by Mr. Howard illustrates some of the difficulties. We use the Veterans' Land Act for very worthy reasons. They are experts in the fields of mortgage lending and construction. We did not want to develop a duplicate organization when this one was available, and therefore it introduces another party. However, the Prince Rupert situation has been a particularly difficult one compared to the ones you have touched on. It is a very large area and the greatest number of complaints about the program in Canada have originated from this area. At the present time we are meeting with the Veterans' Land Act representatives to see what we can do to try to improve that situation. It probably requires more people, and we are working on it.

Mr. Howard (Skeena): Mr. Chairman, if I may just follow this up. The Minister said that he objects to the necessity of his endorsement of things about which he would naturally have no knowledge. This is really confounding the matter. You do not need any changes in the Indian Act to deal with the off reserve housing program. That is an administrative problem. I am glad to see it is on the rails anyway. It is not only a delay of three or four months, Mr. Chairman, which is involved; in some cases it is three and four years.

I know of an instance where an individual relinquished some land to the school district for an amalgamated school. It was seven years before he finally got his money for the land, even though the school board had paid for it much earlier. It was seven years in the administrative machinery. I am told that about three or four years ago the Penelakut band on Cooper Island passed a resolution—and I think using band funds—for some facility they wanted on the reserve. They still do not have it approved. I am sure that many of these things go into outer space rather than into the office of the Minister. There is no point in my reciting instance after instance of specific cases, except as illustrations.

Mr. Chrétien: Yes, but what surprises me a bit is that you said sometimes the off reserve housing program has been delayed three and four years. This program has only been in effect for two years. I am quite surprised to hear that it can take three or four years.

Mr. Howard: On something else.

Mr. Chrétien: On something else, all right. I am really not aware of these cases. You say they are in orbit; perhaps this is a fact.

Mr. Simpson: With Mr. Howard's permission, may I pose a supplementary question. In view of the fact the Chairman mentioned that we would probably be discussing housing in great detail at some future meetings, I would like to give notice that I think it would be helpful if we could perhaps have a statement from the department on the number of homes which have been built under the off reserve housing program province by province.

Mr. Chrétien: We will give you a full statement on all aspects of the situation; on reserve, off reserve, where we stand in the program, how many houses have been built since we started the program, how many houses we expect will be built to the end of the program, and so on.

Mr. Simpson: If we are going to get a statement on housing, I think it would be of interest if we had a rundown of the number of houses that have been built which are already serviced with sewer and water and in what areas these are located.

The Chairman: And electrification.

Mr. Simpson: I think electrification is coming ahead much faster than sewer and water.

The Chairman: You have noted that. Mr. Howard?

Mr. Howard (Skeena): I had a number of other items I wanted to deal with, but I do not want to transgress on other people's time.

The Chairman: Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): I have a retroactive supplementary question. I would like to ask Mr. Battle what is the maximum amount of money that is available from the revolving fund loans and what the terms are, how long are these loans for, and this type of thing.

Mr. Battle: At the present time the maximum loan is $50,000. The term varies; it depends upon the nature of the project. The pay-back period is anywhere up to ten years. Even this is not fixed. It can go beyond ten years. It is a revolving fund and it is supposed to revolve, so it is really short term credit. The pay-back period is any period up to ten years.

Mr. Marchand (Kamloops-Cariboo): But it can extend beyond that?

Mr. Battle: In particular circumstances it can extend beyond that.

• 1200

Mr. Thomson (Battleford-Kindersley): Are these revolving funds available for business loans or is it on land only?

Mr. Battle: Both business and land loans.

Mr. Thomson (Battleford-Kindersley): Is it businesses on the reserve?

Mr. Battle: Yes. There have been a number of loans made for businesses on the reserves that are flourishing now.

Mr. Thomson (Battleford-Kindersley): Thank you.

An hon. Member: And off the reserve as well?

Mr. Battle: We have tried to avoid this because other sources of credit are available off the reserves. There is a shortage of available credit on the reserves. In special cases we have made some loans off the reserves, but because of the pressing need on the reserves we limit this.

The Chairman: Mr. Marchand.

Mr. Dinsdale: I have a supplementary question on this point, if I may. The trouble with the project might be that you cannot sell to people on the reserve, you have to go in through the community. The actual business operation is taking place in a city. Perhaps this is where the red tape is.

Mr. Battle: We will be happy to look into it.

Mr. Marchand (Kamloops-Cariboo): I would like to direct this question to the Minister. Perhaps he has made a statement on this but I have not heard it. I would like to ask the Minister when he feels that he might introduce the Indian Claims Bill.

Mr. Chretien: We have the Resolution on the Order Paper now. According to the speed we work in the House of Commons, I do not expect we will proceed with the resolution stage before Christmas. I hope that it will be one of the priorities after Christmas. We will table the Indian Claims Commission Act after the resolution stage early next year.

Mr. Marchand (Kamloops-Cariboo): When the bill is introduced, do you plan to refer it to a standing committee of the House or a joint committee of the Senate and the House of Commons? Do you intend to see that the committee will travel? I was wondering at what stage you will refer it to a committee, first or second reading?

Mr. Chretien: I do not know what the rules will be after Christmas. There is a possibility there will be changes in the rules, so it is too early for me to tell you when the matter will be referred to the committee. I would like to see the Indian Claims Commission Act referred to a committee of the House of Commons.

If the committee sees fit to travel and get the views of the Indians, and so on, I will not object. I must tell you that similar legislation was introduced in 1963 but the government withdrew legislation and came back in 1965 with new legislation. This legislation was in the committee at that time when, fortunately or unfortunately, we had an election.

The bill has not been reintroduced since 1965. It was one of the priorities, so I looked into the problem immediately after I was appointed a Minister. We studied it in committee of the Cabinet and now we have a

Resolution in he House of Commons. I am waiting for that stage now. Our part of the job is almost finished.

Mr. Marchand (Kamloops-Cariboo): I think there were some 300 representations, if I remember correctly, from Indian groups all across the country. I know in the province of British Columbia Indian organizations held several meetings about Bill C-130 and Bill C-123 and one of the objections to the bill by various groups, if I recall correctly, was that they would like to see that one of the commissioners—the bill, as it was set out, agreed to appoint five commissioners—is an Indian and another learned in law.

For another position they would like to have someone from the international courts or some commissioner of international stature to sit on the commission. Do you have any particular views about this?

Mr. Chretien: You will see my views when you see the bill. You ask me to reveal now what is in the bill and I cannot tell you. I have told you that we have looked into the problem—we have received 300 briefs. We have people who have studied them and I hope that most of the representations will be implemented in the bill. Unfortunately, I cannot do more than accept your representations.

Mr. Marchand (Kamloops-Cariboo): I am not trying to probe, but have you made many changes to the basic bill which was introduced?

The Chairman: Mr. Howard?

Mr. Howard (Skeena): Mr. Chairman, I will not touch on the merits of this unknown bill except to say that I hope it is not the same as it was in 1965, because that was most unacceptable to most people. However, that is a representation.

I want to ask a question of the Minister related to his thinking about the timetable in Parliament and our speed of activity. We in the New Democratic Party would be quite prepared to waive discussion of the resolution stage of the bill so that you could introduce it and have it made public as soon as possible—tomorrow if you desire.

I do not know what the Conservative Party or the Ralliement des Creditistes will do in terms of this proposal, but we are overly desirous of at least having that bill, now that you have the Resolution on the Order Paper, made public as early as possible, particularly so the Indian people can have as long a period of time as possible to examine it, study it and comment upon it. If you ask for unanimous consent tomorrow right after the Orders of the Day, you will find no objection from us.

• 1205

Mr. Dinsdale: Mr. Chairman, if Mr. Howard is asking for a comment, I can assure him we were ready to proceed in 1963 and that is still our viewpoint.

Mr. Howard (Skeena): I hope we are not ready to proceed in the same way that you were ready to proceed with the same bill.

Mr. Dinsdale: The bill was never discussed, Mr. Chairman.

Mr. Howard (Skeena): No, but I know what is was and it was frightful.

The Chairman: This is getting into a debate, gentlemen. I have a question from Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I would like to begin by saying that I also had the delegation from Garden River visit me this morning. In fact, I apologize for being late but that was the reason.

An hon. Member: Where is Garden River?

Mr. O'Connell: Garden River is near the Soo. It is a reserve of 600 or so. I agree that they certainly have a very strong case for having the present election validated. I do hope that when the Minister meets them later on in the day he will be able to find a way to accept the result of the electorate.

I know they are prepared to make some adjustments but not the whole process of another election because it does sort of flaunt the idea of local government in favour of legalisms. If the population is just two short of being entitled to six, surely someone could search through the lists and find two more people. I do not think it is too difficult.

I think there are many people on these reserves who simply are not registered—at least I suspect that is the case. Therefore, I would just like to reinforce Mr. Howard's plea on behalf of that group. I, too, am interested in the result and do hope we can find the proper solution in accord with the apparent desires of the full council to have that election validated.

The question I would like to ask, though, goes back once again to the availability of

credit and economic development. Is that in order, Mr. Chairman, or is your agenda in another direction.

The Chairman: No.

Mr. Simpson: May I just add something supplementary to Mr. O'Connell's remarks on the situation at Garden River?

You were saying that possibly two more people could be found on this reserve. I agree that this might be quite possible because I must admit that, unknown to me, in my own constituency which is quite large during our centennial year, 1967 there were triplets born to a treaty Indian mother, Mrs. Spence of Nelson House. This came to my attention some time ago.

I know that these people would not want to leave Nelson House and go to Garden River to add the extra three people. I am wondering whether any recognition was given to these triplets that were born to Indian people in centennial year.

Mr. Chretien: I do not know.

Mr. Simpson: Can Mr. Battle say whether this was ever brought to your Department's attention? I think some recognition should be given. Possibly we could move them to Garden River for three or four weeks and get the population up to the required level and so solve the minister's problem.

Mr. Chretien: There is a great principle in democracy; we should never act retroactively. I will look into this question; there are two sides to it. I know some members feel there should not be an election. I have no prejudice. I will do whatever is possible, but if the law does not permit me to do something I will not do it.

• 1210

Mr. Marchand (Kamloops-Cariboo): Perhaps we could send the Superintendent, there, a copy of the song, "One little, two little, three little Indians"; it might help.

The Chairman: Mr. O'Connell?

Mr. O'Connell: I do not think we have been told the total size of the revolving fund. I would like to ask that question before proceeding, if I may.

Mr. Chretien: Mr. Battle will answer that question.

Mr. Battle: The current size of the revolving fund is $2.4 million. There has just recently been a request to Treasury Board for an additional $400,000. I cannot say at the moment whether or not that has been approved. That is as far as I can go.

Mr. O'Connell: Thank you. With all respect, I would like to make the comment that I think that is really a tragically low figure in view of the fact that Indian credit is so difficult to obtain for many reasons, some of which I heard when I first came into the meeting. I would like to ask, too, what experience the branch has had with the regional development programs under FRED, presumably. There is a very large operation in Manitoba known as the Interlake Development Program, there is one in northeastern New Brunswick, and so far as I am aware, the Indian communities in those regions are not really effectively participating in those schemes.

No doubt the reasons are many, but perhaps one of them is shortage of credit. Therefore, it is partly a policy question. I would like to have a statement of policy, if I may, outlining where the branch stands with respect to economic development of reserve communities.

Before leaving the question there, I notice that in the Hawthorn-Tremblay report which the government commissioned—volume I was submitted about two years ago—on the contemporary Indians of Canada, there was a very strong emphasis on mobility. What I gather the commissioners really meant is that there were few prospects for development on Indian reserves, that they were somewhat pessimistic about that prospect and, therefore, they stressed mobility training outmigration, and so on. I ask where the Department stands with respect to that concept.

Second, is the Minister able to say whether the ARDA report which we have not been able to see—I think there has been a study conducted by ARDA—coincides with the concept in the Hawthorn-Tremblay report that the emphasis is on mobility and not on the development of local resources? The answer to that question would have something to do with whether the intention is to make credit available for local improvement or not.

I do not know whether I have been clear. I would like to know whether the ARDA people stress reserve development, or community development. My impression of the Hawthorn-Tremblay report is that it does not.

Mr. Chrétien: All these matters of economic development and mobility are currently being reviewed by the Department. We are analysing all the programs we have had in the past and looking into the possibilities of new programs. There is no one answer to that. I think the principle should be flexibility because on some reserves there are some economic developments which are possible. In other reserves there are no economic developments possible. Therefore we should not put the emphasis on mobility when there is no possibility of economic development. I do not think we should be doctrinaire. We should look into each situation and find out the best way to help the Indian people upgrade their economic development.

• 1215

One of the important aspects of it will be to discuss this with the Indians themselves at the level of the band because they should be involved in their own future. If we want to give them more authority to decide for themselves, then we have to consult them. In some cases the Indians will be very reluctant to move off the reserve and we cannot force people to move into big centres if they do not want to do so. We should as another element, besides flexibility, take into account the desire of the Indian people themselves at the level of the band. As I said, in some cases we will have no other choice but to put the emphasis on mobility. In many cases there is a good possibility of economic development of the reserves. I do not want to give you at this stage any specific answer on that. We are working on the study of these new programs and I hope that some time in the future I will be in a position to make a general statement on the future policy of the department on economic development.

You mentioned also the revolving loan fund. You found the amount a bit low. It is something which we are reviewing now. We hope that at some future time we will be able to state the policy of the government on these things. Mr. Battle will add something about ARDA.

Mr. Battle: I would like to deal specifically in the first instance with ARDA. This program extends to Indian rserves. There is provision in the agreements which have been signed between the provinces and the federal government for reserves to be included. Under these agreements there already have been a number of projects started. For example, there is the large farming project on the Stony reserve which is being financed under the ARDA program, There are a number of studies of specific reserves wich have been undertaken to determine what kinds of economic development should take place there under the ARDA program. This has already led to two or three recreational developments and the Stony reserve near Calgary is an example of that.

The department, under its economic development program, has been carrying out feasibility studies, land use studies, on a number of reserves across the country. There are already forty of these studies in progress, the result of which will be development plans for Indians. So far as FRED is concerned, the Indians in the Peguis reserves, the Fisher river reserves in Manitoba, are taking part in this whole program. They have representation on the various advisory councils which function in that area, they are taking part in the training programs that are in effect in this FRED interlake area, the object being some out-mobility. There is a variety of things they are taking part in at the present time. I have a great deal of hope for the Indians of Peguis and Fisher River as a result of the FRED program.

• 1220

Our department is represented on the committee which sits in Manitoba twice a year to examine the program for the coming year, and to examine it for the past year to see what results have been achieved. I am not suggesting for one moment that we are out of the woods in that area. I think there is a great deal more which can be done under that program to help the Indians on those reserves. A start has been made and we are making progress. That is all I have to say on FRED and ARDA.

Mr. Simpson: Mr. Battle, in relation to the ARDA FRED program in the interlake area, could you tell us of any developments which are taking place in respect to the Indian people in the ARDA aspect of this program? I am thinking of the clearing of agricultural land. I am sure you are more than well aware of the fact that there appears to be a considerable amount of good agricultural land in that area if it were cleared. Could you tell us something about the ARDA program in relation to that particular set-up?

Mr. Battle: The first project which was undertaken on those two reserves involved drainage of the land. This has been financed

under the ARDA program. I am not up to date on whether there has been some clearing of land. There was to have been clearing of land. Whether or not the programs have been started yet, I cannot say.

We were asked to position ourselves in the revolving fund to enable us to meet the credit needs specifically for the Indians at Peguis and Fisher River because it was expected that land would be cleared and they would require equipment to farm. We have positioned ourselves in this way. I cannot say whether loans have been made. I would be happy to look into this and see what the situation is at the present time.

Mr. Simpson: I have recently had complaints from Indian people in that area who applied for loans for clearing and so far have not been successful in getting them.

Mr. Battle: I will be happy to look into that.

The Chairman: Mr. Southam, you indicated you have a question.

Mr. Southam: Mr. Chairman, I believe the Minister of Indian Affairs and Northern Development and also the Minister of National Health and Welfare and several other members of the house, including myself, had a letter directed to us some time ago from the secretary-manager of the Saskatchewan Medical Association with respect to remuneration for services rendered to Indian people. I brought this up in the house and the Minister of National Health and Welfare said that he had discussed it at the recent federal-provincial conference. The gist of my question is this: it seems that a certain amount of money has been appropriated for providing these services to the Indian people but at the twentieth of each month or so these funds run out. The services then for the balance of the month had to be provided more or less free for the Indian people. Now, it affected some of our younger doctors who by virtue of the fact that they are coming into practice as young people have a tendency to go further north to find a practice and it is becoming a hardship on them financially to try to carry on by not getting their full fees. It also adds to the sensitivity on the part of the Indians themselves if they thought they were being treated as possibly second class citizens. There is a very important psychological factor here.

Could the minister tell us if more funds have been made available to overcome this serious situation? It is going to become very serious in several areas where it was brought to my attention because the younger doctors were thinking of moving out of there altogether which would sacrifice the welfare not only of Indians but of whites living in that particular area. I would like to hear something from the minister on this.

• 1225

Mr. Chrétien: Unfortunately, Mr. Chairman, I cannot answer Mr. Southam's question because all these questions of health services to the Indian people are not under my jurisdiction. These questions should be directed to my colleague, Mr. Munro, Minister of National Health and Welfare. I am not related to that. I receive letters and pass them to Mr. Munro who is responsible. He made a statement in the House of Commons the other day which was directed to that problem. He said that the government does not have any program for the Indian people. It is certainly something which he is studying and I will report that the question has been asked of me. Unfortunately, I cannot reply for him.

Mr. Yewchuk: I have a supplementary question.

The Chairman: Are you finished, Mr. Southam?

Mr. Southam: No, I have another question but I would be glad to have the supplementary.

Mr. Yewchuk: I have asked Mr. Munro about this problem and he is under the impression that the Indian Affairs Branch is paying about 75 per cent of the doctors' fees; this is not so. They are actually paying about 56 per cent on the average.

Mr. Chrétien: We pay nothing. It is not our department. It is National Health and Welfare.

Mr. Yewchuk: I know, I am sorry, I will reword that. The Department of National Health and Welfare, for services to Indians. In your discussion with him would you bring to his attention that they are not paying 75 per cent—and I know that because I am a practising physician myself—we only get about 56 per cent on the average.

The Chairman: Mr. Southam. A supplementary, Mr. Dinsdale?

Mr. Dinsdale: May I ask a supplementary question? I realize this is directly under the

responsibility of the Minister of National Health and Welfare but inasmuch as it concerns Indian people—

The Chairman: Mr. Dinsdale, if it is completely under the jurisdiction of the Minister of National Health and Welfare, we are not seized of this matter as a committee.

Mr. Dinsdale: But it concerns Indian people and the minister said that his concern is for human resources and welfare and so forth. The reason I am raising this question is I had a return on October 16 which I find quite confusing. It arises from this long, extended discussion on health services for our Indians and our Eskimos. The original directive of March 6, which indicated that health services were being cut back, was rescinded in a letter of April 16. All I have by way of information is a prototype letter and, as far as I can see, the prototype letter rescinding the cutback of March 6 was never sent out; it was merely a prototype letter and I have not been able to find any chiefs or councillors who received copies.

I have a further letter of July 15 which announces this pro rata system which Mr. Southam has been referring to. So, it seems we are back to where we were on March 6. Inasmuch as our committee is not seized with this problem, perhaps members would like to read these letters for their own information to see that there is still confusion and the matter has not been clarified. It is of vital concern to human welfare. I would be very glad to make these letters available to the committee if they so wish.

The Chairman: I think it would be a good idea if you could make them available on a strictly private basis to all members of the committee.

Mr. Borrie: Mr. Chairman, on a point of order, I wonder if you would clarify for the committee—or maybe the minister would—how we approach the matter of medical services to the Indians if we are not to be considering this in this committee?

Mr. Chrétien: The only suggestion I can make is that perhaps you invite Mr. Munro to come here and you can question him. Unfortunately, I cannot reply for him. It is not my business. I have enough already.

Mr. Southam: Mr. Chairman, I would like to make the suggestion that we invite the Minister of National Health and Welfare because this has been a very contentious problem over the last few months, as the committee knows.

The Chairman: We will discuss this in the steering committee after this meeting at one o'clock. I take it that it is the consensus of opinion here that we should invite the Minister of National Health and Welfare before this committee. If that is the consensus, then we will do it.

Mr. Southam: I will make a motion to that effect, Mr. Chairman.

Motion agreed to.

Mr. Dinsdale: I have a supplementary question, Mr. Chairman.

The Chairman: This is something which has to be decided in the steering committee. We have your feelings on this.

Mr. Dinsdale: Is there not very close consultation with Indian health services by the department to ensure that the medical needs and the health needs of our Canadian Indians are adequately taken care of?

Mr. Chrétien: There is always discussion between the two departments on these problems. We have an interest...

Mr. Dinsdale: I would say a vital concern.

Mr. Chretien: Yes, but the way it stands now, the Minister of National Health and Welfare will reply. Whenever we see a situation which is brought to our attention, we transfer that to him. I have had discussions with him on some of the problems which face both of us. I have no problem in talking to him, but unfortunately, I cannot testify for him. That is all I can say.

• 1230

The Chairman: Gentlemen, I think we have agreed now that we are going to invite the Minister of National Health and Welfare.

Mr. Dinsdale: I would like to make this return available to members in anticipation of the Minister's visit.

The Chairman: Could you make it available tonight, Mr. Dinsdale? I do not know when we will invite him.

Mr. Dinsdale: My access to Xerox facilities is limited; I cannot impose on them too heavily.

The Chairman: If the Committee agrees, Mr. Dinsdale will supply a copy to the Clerk who will see to it that each member of the Committee receives a copy. Mr. Southam?

Mr. Southam: I have one more question, Mr. Chairman. This question relates to something that was discussed earlier in the Committee concerning the development of agriculture by our Indian people. Now, this may not be new but it is new to me and I would like to get the advice of the Minister. It seems that in some areas white farmers adjacent to Indian reserves have been getting permission to go on to Indian reserves and lease land to develop agriculture on these reserves with two things in mind, of course; to develop their own financial status, and so on and, at the same time, to give an example to the Indians of better farming practices.

In some cases the Indian bands consider that the municipalities adjacent to the areas where these white farmers live should be contributing something to them from the tax funds they receive from these white farmers to develop roads and the agricultural industry within the reservation. Is this something of which the Minister is aware?

Mr. Chretien: I am aware of it and it is a matter that is under discussion in many provinces. The municipalities collect taxes from the white man who leases land from the Indian reserve. In many instances the municipality keeps the money and does nothing in terms of improving roads or providing other services, which are given to the white man in the district.

It is something that can be solved at the level of the provincial government. Correct me if I am wrong, but I think in Saskatchewan there is provincial legislation to force the municipality to turn over 50 per cent of these taxes to the band in order to help it to develop its own programs within the band.

I think this is a positive step.

This is one of the matters that I find a bit annoying. The provincial government gets money out of the pockets of the Indian in many instances, and they are not very anxious to give back even a part of it. Most of the money being spent right now on Indian programs comes from the federal government, but whenever an Indian has a car and goes to the service station to fill his gas tank he pays taxes to the provincial government.

I have seen some cases of roads going into a reserve, even on Crown land, on which the provincial government does not even use a grader, because that road leads to an Indian reserve. That is a provincial problem and I think it is a kind of discrimination against the Indians in the province. The step taken by the Saskatchewan government seems to me to be a step in the right direction.

• 1235

Mr. Southam: Well, I am glad to hear the Minister's remarks, because I do think it is an area that is being developed properly, and with the support of the federal Department of Indian Affairs and Northern Development and the provincial government it will enhance the Indian economy and their general welfare. I am glad to hear the Minister's comments along this line.

Mr. Simpson: On this particular subject I would like to draw the Minister's attention to the matter of these roads leading into Indian reservations—God knows we have not nearly enough of them in our area. There are too many isolated reservations at the present time. These people are continually making requests for roads to connect them with the road system of the province.

The Minister was saying that in many instances the provinces do not look after the roads even if they are on Crown lands. I can disagree, and yet the roads are not properly looked after regardless of who is supposed to be looking after them. I know of one or two roads in northern Manitoba that have been constructed into Indian reservations and it is my understanding that the province, in conjunction with the Department of Indian Affairs, built these roads. I assume the breakdown of moneys was in accordance with the mileage on Crown land and probably the number of people that were going to be served on the Indian reservation.

I do think the Indian Affairs Branch, in conjunction with the provinces, should look very closely into a program of road construction into these reserves because these people in many, many cases are living in isolation. Without too much difficulty a good number of them could be serviced if we could build even a winter road into them which could gradually be developed into an all-weather road.

Mr. Chrétien: We have programs, Mr. Simpson where we can build roads and we often sign agreements with the provinces in

order to share the cost of these roads. Whenever the road is going through a reserve or passing through a reserve, and so on, we share the cost most of the time.

Roads within a province are generally the responsibility of the provincial government and each time we spend dollars on roads they are dollars that we do not have for other programs, and these roads, even if they go to the reserve, are used not only by the Indian people; they are used by the white man many, many times. The white man often gets the benefit of the roads when he goes to sell all sorts of things to the Indians.

I think personally we should not have any kind of discrimination, even if it is only a road within the province, and roads are within the jurisdiction of the provincial governments. They are used by all the people and there should not be two classes of citizens within the province; there should be one class of citizen. The roads are not for the white, the yellow, the brown or the black—the roads are for people, and I think that the Indians are people.

Mr. Simpson: I would also like to add that I think quite justifiably considerably more money could be spent on roads on the reservations. I am sure that any of the officials who have been on these reservations after a couple of days' rain will agree heartily that these roads are actually impassable in many cases. The problem is concerned not only with roads into the reserves, but on the reserves.

Mr. Chrétien: Yes. We have a budget and we try to get as much out of it as we can. We have made good progress over the last four or five years and we have to make more progress in the future.

• 1240

If you people want to go into the House of Commons and persuade the House of Commons to vote one billion dollars more for my Department I will be very glad and I will solve the problem right away.

Mr. Simpson: Well, one thing I would be quite willing to back you up on that I think is justified is road improvement on the reservations. I think a lot of the welfare money that has been used could have been paid to these people for work on these projects on the reservations; they would be much happier. Then we would not be in need of this additional money you are talking about; it would be a transfer of money from welfare to local improvements.

A number of people may be on the borderline so far as doing heavy work on these reserves is concerned, but lots of jobs could be found for them to improve the reserves. They should be transferred from welfare to do the jobs that have to be done.

The Chairman: Gentlemen, we are planning to adjourn at one o'clock. A number of you indicated earlier you wanted to ask questions and then you asked detailed supplementary questions. I have Mr. Yewchuck, Mr. Dinsdale and Mr. Gundlock. Do you gentlemen still have questions you have been holding off? You all have? All right.

Mr. Chretien: I have a luncheon engagement at one o'clock with the Board of Historic Sites. They are in Ottawa and I have invited them. I am of the old school—it would be difficult for me to arrive last.

The Chairman: With the agreement of the Committee, Mr. Minister, we will excuse you for that appointment.

Mr. Yewchuk: I have a question in relation to Wood Buffalo Park. There is a problem in this area and since parks come under your Department, I thought I would ask you a question about your plans for road construction in the Park. I realize roads are the responsibility of the Department of Public Works.

Mr. Chretien: No, it is our responsibility.

Mr. Yewchuk: It is your responsibility?

Mr. Chretien: Yes.

Mr. Yewchuk: Can you tell me what roads you are going to build there in the next two or three years?

Mr. Chretien: No.

Mr. Yewchuk: There are many isolated reservations that have no communication with society and there is, of course, a beautiful big park there with tremendous recreational potential. Most of the people of this country have not seen it yet. There are 17,000 buffalo there.

Mr. Chrétien: I think your ideas are very good but it is a matter of priority. I would like to do that as quickly as possible but, as I said, I do not know where it stands on the priority list of capital expenditures.

Mr. Yewchuk: Would you be able to give me information on the general over-all plan for Wood Buffalo Park for, say, the next five years?

Mr. Chrétien: Yes, we will provide that.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: I shall try to conclude my questioning in four minutes. My concern, and I have expressed it several times this morning, is with the human problems of the Indians. This is where the real difficulty lies and everyone who has visited Indian reserves know this.

We have already asked questions on health, housing and so forth but I have a special question this morning concerning the problem of law and order on Indian reservations. A report was brought down in 1957. What action has been taken on this report?

Mr. Chrétien: I will ask Mr. Battle to answer that question.

Mr. Battle: In 1957?

Mr. Dinsdale: Excuse me; it is dated August, 1967.

Mr. Battle: The Indians and the Law report? This report, in addition to delineating particular problems, made reference to a number of agencies within whose area the responsibility to deal with these problems comes, and this involves a number of federal government departments and provincial agencies. We convened a meeting of representatives of these departments to consider all of the recommendations and problems that were outlined in the report.

• 1245

As a result of this meeting it was established which departments would assume responsibility for the various items, because most of the recommendations dealt with matters that come within the purview of departments other than ours. We have a general interest, of course, in the total situation and we have a responsibility to see that these other agencies provide the services that the Indian people need in order to overcome some of these particular problem areas. There have been meetings, there are now meetings taking place at the provincial level with a view to seeing what needs to be done and what can be done to improve the situation for Indians, there have been meetings with the John Howard Society and so on, and as a result of this we are hoping that the agencies that do have responsibility will be able to cope in a better way with some of the problems. This is the stage it is at, there is general agreement on the need for improved services for these people, and the agencies are now addressing themselves to this.

Mr. Dinsdale: So far as you know, have any of the recommendations been implemented through your own Department or other departments which have responsibility?

Mr. Battle: Before getting specific on this I would much rather that we examine it and prepare a report so that you will know exactly what has been done. I do not think I can go further than this.

Mr. Dinsdale: Is there an attempt being made to use the facilities of friendship centres so that the parole or probationary system might be more effectively applied to Indians? This is one of the strong recommendations. This would require personnel of Indian ancestry dealing with their own people.

Mr. Battle: One of the recommendations on which there was general agreement was that this needed to be done. The friendship centres of course have functioned essentially as creatures of the community, with financial support from the Citizenship Branch, the provinces and private agencies. Up until now they have functioned essentially as referral centres—referring people of Indian origin to the agencies that can provide services to them. I really cannot say that any new staff has been added as a result of these recommendations except to say that they are under consideration at the present time.

Mr. Dinsdale: You say that the citizenship grant is administered through the provinces?

Mr. Battle: That is right.

The Chairman: Mr. Dinsdale, could I interrupt you for a moment? Mr. Gundlock has a question which he wishes to direct to the Minister. Perhaps he could direct it now and then we will revert to your questions, which you can put to the officials who are here.

Mr. Gundlock: Mr. Chairman, I would like to have directed one question to the Minister but in view of the time and circumstances I feel that one of the officials will be able to answer it.

The Chairman: Mr. Howard, you have indicated a wish to put a question. Is it to the Minister or the officials?

Mr. Howard (Skeena): I understand Mr. Chrétien will be back again.

The Chairman: As I announced earlier, we are going to be dealing with jobs and vocational training tomorrow and next week.

Mr. Howard (Skeena): I could manage to find some other avenue of communication with him.

• 1250

Mr. Gundlock: My questions will be very, very short because the agenda is set up in such a way that one of the questions will be answered at another meeting. I recall some years ago a commitment being made in Tuktoyaktuk in regard to housing and general improvements within that community. Could one of the officials explain how far this program has come since that time?

Mr. J. H. Gordon (Senior Assistant Deputy Minister (Conservation), Department of Indian Affairs and Northern Development): I do not have details, Mr. Gundlock, on the Tuktoyaktuk situation. I think we were there together. I recall the situation quite clearly. The current housing program is reaching into the Mackenzie this year so the statistics I think would be quite different as a result of this year's program. If I can, Mr. Chairman, I would like to undertake to give you a separate report on where the Tuktoyaktuk housing program now stands.

Mr. Gundlock: Can you do that fairly soon?

Mr. Gordon: Yes, I will get at it right away.

The Chairman: Mr. Dinsdale, back to your questions.

Mr. Dinsdale: I am not going to trespass on the time of the Committee but I would appreciate a report on the present state of implementation of this important document with respect to law and order among our Indian friends. I was then going to pursue another subject which is dear to my heart, recreation on the reserves, because I think that our reserves are a no man's land so far as recreation facilities are concerned. They are spawning grounds for delinquency and all sorts of social problems. I think the gentlemen know Mr. Chairman, that if I had the time I would ask about arenas and skating rinks which have been asked for by Oak River and have been denied. They asked for assistance from this revolving fund and there has been no assistance forthcoming. I will not press you at this time, but I think recreation is a vital subject.

The Chairman: Thank you, Mr. Dinsdale.

Gentlemen, I remind you that tomorrow we will be dealing with jobs, employment opportunities, vocational training and education as it relates to vocational training.

I would like to put to the officials here some of the questions which I presume will be asked tomorrow. If no one else asks them, I will ask them. I hope you will have Indian unemployment figures, the number of children in vocational schools, the number of Indian graduates from vocational training programs and courses, the number of Indian people taking vocational training offered by private industry, what encouragement your Department is giving to private industry for this type of training program and, if it is possible, the percentage of unemployment among Indian high school graduates and also among high school dropouts. This will give you an idea of what we will be looking for.

Mr. MacDonald: Mr. Chairman, we will have the answers to some of them but there are others which we may not be able to get that quickly if we have not received notice before.

We have a brief statement on the subject of Indians and the Law which we could table with the Committee now.

• 1255

The Chairman: Would members of the Committee agree that this brief statement on the report Indians and the Law be tabled and be affixed as an appendix to this committee's proceedings?

Some hon. Members: Agreed.

Mr. MacDonald: We will provide such additional information as may be desired.

The Chairman: Thank you.

Would someone move that we adjourn?

Mr. Cullen: I so move.

APPENDIX H

"Indians and the Law"

In commissioning the "Indians and the Law" study the Department was anxious that the nature of the problem be better known and better appreciated by all levels of government and by others having a responsibility or concern. It is now apparent that in addition to providing a wider body of knowledge about its subject, the study is a value in calling attention to the need for concerted effort on the part of a wide range of agencies—local, provincial and federal.

The major responsibilities of the Department in regard to the study must be to insure that all agencies involved are made aware of the problems that exist, and to act in whatever way it can as a catalyst and enterpreter in the solution of problems. If only for jurisdictional reasons, it cannot act by itself. More importantly, it should not attempt to insert itself in place of existing agencies and further isolate Indians from the specialized and expert services of these agencies. Of the 17 recommendations arising from the study all but one involve, to a greater or lesser extent, provincial and other agencies outside the Department.

An inter-Departmental committee of federal departments concerned has been active in following up the recommendations of the report. Already arrangements have been made in conjunction with the R.C.M.P. to expand and improve the Indian constable system, one of the major recommendations of the Report. In addition close liaison is being maintained in the Solicitor General's Department in furthering the improvement of correctional services available to Indians.

In each of the provinces where the problem in question has been severe, talks have been held with the representatives of the Provincial Attorneys General to examine ways and means of finding effective solutions. In a number of regions seminars and conferences have been held involving Indian representatives, magistrates, the police, federal departments, the John Howard Society, parole services, churches, provincial corrections, educators and interested members of the general public. Again, over 2,000 copies of the "Indians and the Law" report have been distributed to members of parliament, provincial governments, federal departments, magistrates, law societies, wardens of penitentiaries and jails, the press and other media, Indian bands and organizations, private correctional agencies and members of the general public. In the months ahead the Department will continue to press for further improvements in the Indians' relationships with correctional and law enforcement agencies.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

FRIDAY, NOVEMBER 29, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; R. F. Davey, Director, Education Branch (Social Affairs); R. F. Battle, Assistant Deputy Minister (Social Affairs); O. N. Zakreski, Superintendent, Vocational Training & Special Services (Social Affairs); and D. W. Simpson, Assistant Director, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29399—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman: Mr. Paul St-Pierre

and Messrs.

Badanai,	Gundlock,	Simpson,
Borrie,	Howard (*Skeena*),	Smerchanski,
[1] Buchanan,	Laprise,	Southam,
Cullen,	Marchand (*Kamloops-Cariboo*),	Thomson (*Battleford-Kindersley*)
Dinsdale,	Nielsen,	Yewchuck—(20)
[2] Durante	O'Connell,	
Duquet,	(Quorum 11)	

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Goode on November 29, 1968.
[2] Replaced Mr. Forget on November 29, 1968.

ORDER OF REFERENCE

HOUSE OF COMMONS
FRIDAY, November 29, 1968.

Ordered,—That the names of Messrs. Buchanan and Durante be substituted for those of Messrs. Goode and Forget on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29399—1½

MINUTES OF PROCEEDINGS

FRIDAY, November 29, 1968.
(7)

The Standing Committee on Indian Affairs and Northern Development met at 9:45 a.m. this day. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Gundlock, Howard (*Skeena*), Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (11).

Also present: Mr. Durante, M.P.

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); R. F. Davey, Director, Education Branch (Social Affairs); R. Steward, Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development); Messrs. D. W. Simpson, Assistant Director, Education Branch (Social Affairs); O. N. Zakreski, Superintendent, Vocational Training and Special Services, (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

By special order of the Committee on Thursday, November 28, 1968, the Committee proceeded to the consideration of the subject-matter *Jobs-education, retraining and employment of Indians and Eskimos.*

The Chairman called *Item* 5 of the Revised Main Estimates 1968-69 of the Department of Indian Affairs and Northern Development;

Indians Affairs — *Administration Operation and Maintenance $101,201,000.*

The Chairman announced the names of the officials who were present. Following a question by Mr. Cullen, Mr. MacDonald, Deputy Minister of Indian Affairs and Northern Development read a prepared statement dealing with the subject-matter under consideration by the Committee.

Mr. MacDonald answers questions, assisted by Messrs. Davey, Battle, Zakreski and Simpson. Messrs. Durante, Cullen and Borrie asked for additional information, to be provided by the Department at the next meeting.

At approximately 10:55 a.m., the Chairman directed certain questions to Mr. Francis and he replied.

At 11:00 a.m., the questioning of the witnesses continuing, on motion of Mr. Cullen, it was

Agreed,—That the Committee adjourn until Tuesday, December 3, 1968.

Hugh R. Stewart,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, November 29, 1968.

• 0945

The Chairman: Gentlemen, I am going to call the meeting to order.

As a result of a special order of our Committee on Thursday, November 28, 1968, we have decided that today and next Tuesday will be devoted to a detailed study of jobs, education, retraining and employment of Indians and Eskimos.

The relevant item in the estimates is Item 5, Page 192 of the Blue Book.

Our witnesses today are Mr. J. A. MacDonald, Deputy Minister, Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation), Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs), Mr. R. F. Davey, Director, Education Branch (Social Affairs), Mr. R. Steward, Personnel Adviser, Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development), Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs), and Mr. O. N. Zakreski, Superintendent, Vocational Training and Special Services (Social Affairs). We also have with us Mr. Francis, the Assistant Deputy Minister of Manpower, Department of Manpower and Immigration and Mr. Cable and Mr. Mills of the Department of Indian Affairs and Northern Development. If any members have questions which they want to lead off with I will receive them Mr. Cullen.

Mr. Cullen: Mr. Chairman, just by way of a preliminary, I have been reading newspaper reports and I refer specifically to a student, Mary Carpenter, who I believe is in her second year at the University of Western Ontario.

One of her complaints seems to be that she is concerned about the Indian becoming a second-class citizen because they are trained in jobs such as bulldozer operators, working around mining camps as labourers, and this kind of thing—working up into jobs.

I am concerned to find out this morning whether or not, going beyond the high school or the secondary school level, do we have many Indians in that group?

Now, I know in our own area the Indians have been attending the public and the high schools for something in excess of 20 or 25 years. I do not know whether this was the first system where they were totally integrated but certainly that is the situation in the Sarnia riding.

From the secondary school level I do not know that there has been any student that has gone beyond that to university and I am primarily interested in whether what Miss Carpenter says is in effect true, that we are only training these students to a secondary school education, or to these tasks such as bulldozer operators. Do they get the opportunity to get a more formal type of education?

The Chairman: I will ask Mr. MacDonald to answer that.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Chairman, I cannot deal with that question personally in the affirmative. Training for both Indians and Eskimos is offered and supported by the Department through a university. We can give the specific figures.

I wonder, Mr. Chairman, if it would be of any assistance to the Committee because there is a great deal of background information on what in fact is being done and I have a statement which endeavours to bring out what students are under training, what training programs are available and what we know about the relevant statistics which might be of assistance to members, not only today but at the second meeting on Tuesday, when this would be in the record and they could go back and ask us questions about the various points that we have put in here.

The Chairman: If it is agreeable to the Committee, I think it would be a good idea for Mr. MacDonald to read this.

Agreed.

Mr. MacDonald: Mr. Chairman, the Department's responsibility towards the Indian and Eskimo people is to ensure that they

have a chance to participate on equal terms with all other Canadians.

To accomplish this objective the emphasis is placed, as it should be, on education, good health and the provision of job opportunities commensurate with the degree of skill acquired. There should be no social barriers to prevent the indigenous population from pursuing their own aims within the framework of our society, so long as we can provide the necessary training and such other assistance to bring these goals within their reach.

• 0950

I think everyone is agreed that the Indian and Eskimo occupy a special position in our society. As long as they pursued their traditional hunting and fishing existence, they could remain self sufficient, but as this way of life became increasingly precarious, the younger generation began to reject it. Limited local resources, the transition from the nomadic life to one of urbanization, and the provision of modern facilities, schools and hospitals, have had a profound effect upon the entire indigenous population. In order to give a clear picture of the Department's policies, it would be advisable to divide this statement into two parts, one dealing with the north where our position is somewhat different and one dealing with the rest of Canada.

I shall define the north as that part of Canada known as the two northern territories, and that portion of Quebec known as New Quebec. In all the schools and training establishments in that vast area something over 90 per cent of all Eskimo children of school age attend school and over 95 per cent of the Indian population. Those acquiring only a partial education pose many social and economic problems. In the light of existing conditions the prospects for employment for the indigenous people of northern Canada is not bright. The population growth is one of the highest in the world at 4 per cent as compared to a world average of 2.1 per cent and a Latin American average of 2.8 per cent Job opportunities in the settlements have not kept pace with the rapid expansion in population. There are growing numbers of employable people who, because of the lack of employment opportunities, must apply for social assistance to secure the basic necessities of life.

From preliminary studies, we have concluded that by 1981 the estimated Indian and Eskimo Labour Force for the Northwest Territories, assuming no migration will exceed 13,000 of which 9,500 are between 15 and 40 years of age.

Unlike most developing societies, Canada's northern territories have no viable agricultural base upon which to build and diversify the economy. The largest employer is the Government of Canada, and by implication the two territorial governments. To ensure the indigenous population has an opportunity to obtain a proper proportion of the available jobs, the Government of Canada has pledged itself to fill 75 per cent of all its positions in the North with northern residents by 1977.

In addition to the extensive system of schools already maintained, a policy has been adopted to create an on-the-job training program, apprenticeship program, and adapting the present curriculum in the high schools to include commercial, industrial arts and home economics.

It is our earnest desire to equip the Indian and Eskimo through a variety of training programs so that he can successfully enter the Canadian wage employed work force. We would prefer to see the jobs made available in our northern communities, but one has to be realistic. While the current trend is towards centralizing the population into larger settlements, it is not always possible to find sufficient jobs for all. Nor have we reached the position in which all the skills required can be found in the existing indigenous population. Many of the specialized skills still have to be imported from southern Canada, particularly in mining communities, where chemists, metallurgists and similar skills are just not available at present among the local population.

When the Government of Canada is involved in assistance to a mining corporation under existing policies for northern development, it includes in the terms of agreement measures to ensure future employment for the local residents, and in particular the Indian and Eskimo population.

For the benefit of the Committee, I would like to read part of clause 3 of the Terms of Agreement between the Government of Canada and the Anvil Mining Corporation, with respect to the development of a lead-zinc mine in the Yukon Territory the largest such development in recent time:

> (a) During the second stage Anvil will, subject to sub-section 3, employ compe-

tent local residents, particularly Indians and Eskimos, to the extent of at least 5 per cent of the total number of employees with the first year, raising to 10 per cent in the second year and 25 per cent in the fifth year after the mine comes into production.

(b) Institute a training program for supervisors and foremen to ensure compliance with the undertakings set forth in paragraph (a) of this subsection.

This is the type of clause that we are endeavouring to negotiate whenever we render development assistance to large industries in the north. At the same time, the Government of Canada will make available any vocational training programs to the company and request such other programs involving training and relocation administered by the Department of Manpower and Immigration to be also made available to the company.

• 0955

I would also like to refer you to the experiment embarked upon by the Great Slave Lake Railway in collaboration with our Department. I cannot do better than quote from their own report.

"It was agreed that a few Eskimos should be brought from the Arctic and given an opportunity to undergo training in various jobs on the railway. The original group numbered six and was comprised to two single and four married. The married men had from one to three children. The group was set up at Hay River in trailers and an on-the-job training program was immediately started in the fields of locomotive maintenance and operation. The men showed a keen interest in their work and in a remarkably short time qualified to do certain work entirely on their own. The total number of Eskimos working on the railway has increased to seventy-five. They perform in all functions of railway work in the operations of the entire system."

Now that the Panarctic consortium is actively exploring for oil in the Arctic islands, similar arrangements have been made to train a number of Eskimos as oil riggers. Five are now under training in Edmonton and two more will be training next month. There should be no skill required in the development of the north country we feel for which the local population cannot aspire, given proper training and counselling.

On March 31, 1968, vocational training accounted for 620 Eskimo and Indians who were undergoing training in courses ranging from aircraft mechanics to welding. A large number of these are taking their training outside the territories, but in the federal vocational schools in Yellowknife there are 177 northern students, at Churchill, 187 and at Inuvik 40 students are engaged in vocational pursuits.

Although the economic base in the territories is restricted mainly to the mining industry, we have seen in recent years a considerable expansion in this field. Economic development of the northern region involves two main interrelated considerations:—

1. The need to assure that the region contributes to total national output, and to the sustained, long-run growth of that output, on the basis of the fullest and most efficient use of the human and material resources available to the region.

2. The need to raise the average level of income of the inhabitants of the region.

Government policies affecting the territorial mining industry have undoubtedly stimulated the industry. This has been accomplished to a large extent by the infrastructure in the provision of roads, transport, telecommunications and power. One hopes that the development of the mineral industry will bring about an improvement in the welfare of the inhabitants. We are not entirely satisfied, however, with the progress being made in absorbing the Indian and Eskimo into the labour force. Our statistics indicate that as of June 1968, of a total employment in the mining industry in the northern territories of 2,002 only 91 or 4.5 per cent of the labour force of producing mines were Indians or Eskimos. The 1961 census of population of both territories was 36,726 of which 16,607 or 43.3 per cent were classified as indigenous. We know there are serious problems of social adjustment, and in the past there have been other major difficulties. Some employers were tolerant and were prepared to assist in the acculturation process. Others were probably unnecessarily impatient. We are engaged in a number of programs to resolve these problems. Apart from the increased school facilities, a determined effort to provide proper

housing for both Indians and Eskimos has been underway for some considerable time.

I do not wish to give the impression that only the mining industry is being encouraged to accept more indigenous employees. It just happens to be one of the major sources of job opportunities, and it will continue to be so. In the field of communications, job opportunities have been opened up to the Indian and Eskimo, both by the C.B.C. and C.N. Telegraph. Apart from obvious developments, which by their nature will employ local residents, such as tourism, fishing, hotels, and so forth, we seek to encourage small business developments and service industries which are necessary to support the existing population. Thus, we have sent out promising young Indians and Eskimos to learn the haircutting and hairdressing trades, and to train as nurses and nursing aides and air stewardesses.

• 1000

So that Indian and Eskimo families can adjust to the new way of life a Family Training Plan has been introduced to assist in this difficult transition. The aim of the program is to help families adjust to an industrialized social and working environment. During the period of training the family is exposed to the kind of pressures in time and scheduling which exist in southern environments.

Another important aspect is the counselling program. Particular attention is given to the adjustment of wives and children to their new roles and environment. Counselling is viewed as a continuing process which would commence with the initial selection process and terminate only when the relocated family has achieved a successful adjustment to the new environment. One cannot expect these relocations to be easy and simple. A report which has just been completed examined the effects of relocation of Eskimos from their natural habitat to Yellowknife, Lynn Lake in Manitoba and the Great Slave Lake Railway. The conclusions reached in this report indicated that while there are drawbacks, there are long-term benefits. It seems that the biggest problem is housing at reasonable costs. Other problems pinpointed the loneliness of the unmarried Eskimo in this new milieu. The Indian and Eskimo often finds it difficult to adjust to the many things we take for granted, such as tax obligations, loans and mortgage systems and credit systems.

We are attempting to tackle these problems, and while the problems of providing job opportunities for the Indian and Eskimo although immense they are not insuperable. We know that wage employment is essential if the Indian and Eskimo is to achieve a better standard of living. Our studies show that in 1967, the average annual per capita income of the Indian at Fort Rae, Great Slave Lake was only $275.00, at Fort Simpson it reached $800.00 of which 74 per cent was earned. The problems of economic development in the northern territories are unique, but they are being tackled and if the progress appears slow at times, it is because I think crash programs in human development are unrealistic and certainly very difficult.

The second part of this paper is devoted to the development of the Indian people in that part of Canada outside the territories, where the federal government has particular responsibilities. The programs of assistance are not dissimilar from those in the territories, nevertheless the Department has a dual role in the north, of fostering the economic development while, at the same time developing its human resources. Obviously in the rest of Canada where the majority of Indians reside, the problems assume greater magnitude.

In 1967-68, 2,081 Indian adults received training in vocational courses, while a further 225 were registered in university, teacher training schools and nursing schools.

In addition, the Adult Education Program includes all forms of training to prepare Indian adults for employment or will lead to an improved standard of living in their home community. Adult education is distinguished from vocational training in that Adult Education refers to group training carried on in communities, whereas vocational training includes all those persons who are assisted individually and usually involves relocation away from the home community. In 1967-68, a total of 9,159 adult persons were enrolled in adult education programs in their home communities. This compares with 3,815 in the previous year. I would like to summarize for you the programs of assistance in which we are engaged.

Employment and Relocation Program

The objective of this program is to exploit to the fullest possible extent employment opportunities for Indians in both urban and rural areas in a wide range of occupations

and professions. The program first started off with one employment and relocation counsellor in each of our seven regions. To date we now have 34 employment and relocation counsellors with an additional 14 to be recruited shortly. In pursuing the objective it was considered that certain key factors had to be kept in mind. Firstly, the confidence of the Indians was essential—they had to see the move as a sincere and carefully prepared plan to help them achieve better living standards rather than an attempt to break up their communities and to condemn their own people to a dismal life in some urban slum. Secondly, the attitude of the non-Indian community had to undergo change if its acceptance by the community was to be assured.

Thirdly, the empoyer individually and as a class had to be convinced that the Indian given the vocational skill and a reasonable measure of acceptance and support in the community and on the job could become a successful and valued employee.

• 1005

Training on the Job

This component of the employment and relocation program has considerable merit and provides a means of enabling older workers particularly to acquire skills by a period of on-the-job training. The Department has authority to enter contracts with industry to share the cost of wages for a period up to 12 months. In the past two years, some 200 Indians have been trained in this way in a wide range of occupations including mill work, sheet metal work, boat building, lacrosse stick making, and so on. In addition to individual contracts for on-the-job training, group placement has also been made with large Canadian companies, such as C.I.P. and the Iron Ore Company of Canada. In addition, an experimental program is being carried out within departmental headquarters to train Indians and Eskimos as key punch operators within the Computer Information Systems. It is likely that this program will be extended considerably should the demand for key punch operating skills remain at a high level. We think it of particular importance to identify Indians with a highly sophisticated requirement of this nature.

In-Service Training

This component of this program provides a sheltered work environment for Indians who have graduated from business or commercial schools but require actual experience on the job before qualifying for permanent positions in government and industry. During the past year, 144 young Indian people undertook this training most of whom are now in regular employment. During the period of in-service training, an allowance to cover such things as the cost of room and board, clothing, personal allowance, and so forth is paid.

Employment Placements

During the past year over 3,000 Indians were placed in regular employment in a wide range of occupations and trades.

In addition, some 8,000 Indians during the past year were assisted to obtain employment of a seasonal or short-term nature. An example is the program involving the movement of Indians from the British Columbia interior to the Okanagan Valley to assist in harvesting the vegatable and apple crops in that area.

A similar movement was also undertaken in the Province of Quebec and a smaller number from reserves in Ontario to the Niagara Peninsula for the fruit harvest there. In addition over 2,000 Indians moved to the sugar-beet area of southern Alberta assisted by the Department of Manpower and Immigration and the Alberta Federal-Priovincial Agricultural Manpower Committee.

It should be pointed out that in exploiting employment opportunities the resources of the Department of Manpower and Immigration and the provincial departments of labour as well as other agencies are used to the maximum extent possible. An example of this is the training of fire fighters undertaken in a number of provinces. In Alberta alone 1,912 Indians have been certified as first-class fire fighters.

Where Indian reserves are situated in areas where it is impossible to bring about an economically viable base, we are attempting relocation of families to areas of better employment. For the fiscal year ending March 31, 1967, 148 families comprising 596 dependents were relocated. In the following year ending March 31, 1968, this had risen to 287 families or 1,087 dependents.

In seven provinces pilot relocation schemes have been organized and perhaps the one at Elliot Lake in Ontario is the one which has received the most publicity. This involved moving 20 families and their dependents into

a completely new and sophisticated environment. It required proper selection of the family desirous of moving, a sympathetic community to move to, and a well-organized training and acculturation program. The Elliot Lake program has been well documented by a well-known sociologist and copies of his report are available. The Elliot Lake Pilot Relocation project showed some dramatic academic upgrading worthy of note. The average grade standing of the group that made the move was grade 4 at the time, and at the present time some two years later, the grade levels reached include 10, 11 and some have completed their vocational training.

Lastly, I think the committee would want to know what the Department is doing to recruit into its ranks competent Indians and Eskimos and what progress we have made to date. Indians and Eskimos now occupy 764 of the 8,376 full-time man years on the establishment of the Department.

• 1010

Of the 764 employed full time, 510 are engaged in work directly involving the Indian people, 160 are teachers in Indian Day Schools across Canada, the remainder occupy positions at Agency and Regional Headquarters as clerks, typists, counsellors, as so forth. I should point out that there is a 17 per cent vacancy rate in the Department. This means that 764 of the remaining 83 per cent of the occupied positions amount to approximately 11 per cent of our strength and filled by Indians or Eskimos. In addition, 2,775 man-years used in casual labour are Indian and Eskimo, which represents a large percentage of the total casual labour employed. In our national parks, particularly those in western Canada, where Indian reserves are in close proximity, 31 Indians have permanent employment and 49 occupy casual positions.

In addition to employing Indian and Eskimo persons within our own service, we see it as our responsibility to promote actively the employment of these people within the federal government service as a whole, and on projects where there is an input of federal government funds. The Advisory Committee on Northern Development has started to publish in its annual report of the "Government Activities in the North" the percentages indicated by government departments and Crown agencies of those northern residents employed by them. By this means, we can indicate the trend towards filling the 75 per cent target in 1977.

On the whole there is a great deal of sympathy and desire to help Indian and Eskimo people on the part of the Canadian population as a whole. While there is a tendency to oversimplify the problem of developing employment opportunities, nevertheless it is the problem of social adjustment which is the real one. We consider this as one of the major tasks, the attempt to relocate the Indian and Eskimo into the mainstream of Canadian life. The support and assistance by the Department cannot end after the job has been found and the applicant placed. Because of the problems, and we do not pretend to know all the answers, we have instituted a number of research programs with independent agencies, social anthropologists and others. We hope, by this means to add to our existing store of knowledge for ourselves and for others. Above all we recognize our special responsibility, and the special needs of the Indian and Eskimo people.

That, Mr. Chairman, is the bit of background information and statistics that we have in our possession which might serve the Committee at a subsequent meeting.

The Chairman: Thank you very much, Mr. MacDonald. I have an indication from Mr. Howard that he has a question. Mr. Howard.

Mr. Howard (Skeena): Mr. Chairman, one of the aspects of the Department of Indian Affairs which has sort of been left out of the picture, I think, is that education is a two-way concept. A lot of the native people, for instance, abhor the word "integration" and rightly so, I think, because it has meant a one-way venture.

In other words, the non-Indian society has said to the native Indian, "you come our way. Integration means you come with us. Forget about your own history, and cultural, and language, et cetera, et cetera and lose yourself in society", and the Indian has objected to this, of course.

It seems to me something similar is true with respect to education that if we are to have—and to me any sort of educational program and advancement of any group of people, it has got to be based on mutual respect and self-respect of the group and the individual. But, of course, here we run into the constitutional aspect of it; that education is provincial in jurisdiction.

This has always been a complaint of mine that there is not any real value to the educa-

tional program conducted by provincial governments in so far as getting across to non-Indian students in school the real true colourful history of the native people in Canada. There is a blank spot there.

Mr. MacDonald: I would agree, Mr. Howard. We, by the way, avoid using the word integration now even though semantically it probably is not objectionable and certainly we avoid the use of the word "assimilation" because this is not the objective.

I think the most useful and suitable word that we have been able to find is "participation", that is, the objective of the various programs that we are running are designed, we hope, to enable the Indian people to participate in Canadian life, which does not imply any loss of culture background.

• 1015

There is a very real problem in our educational system with respect to the historic portrayal of the past of the Indians about which I think Indian people feel very keenly. Our Minister has recently written in this connection to all of the provincial ministers of education in an endeavour to enlist their support in trying, through the provincial educational system, to do something about the text books which are employed and he has received a gratifying response from them indicating, I think, the increasing awareness among Canadian society as a whole of the inequity of this type of portrayal.

Within our own Department and our own educational system we are trying to recognize the cultural values. We have a cultural program under the charge of an Indian. Reverend Ahab Spence. We are supporting language instruction and retention through our educational system and making for that. I will ask Mr. Davey, who is the Director of our Education Branch, if he would like to elaborate on what we are doing in that direction to try to make the point that Mr. Howard has raised.

Mr. R. F. Davey (Director, Education Branch (Social Affairs) Department of Indian Affairs and Northern Development): Yes. One of the chief activities of the Education Branch is to give support to programs which are now becoming evident in the provincial systems.

I am thinking especially of the program of cross-cultural education which is offered at the University of Alberta. I am thinking of the program which deals specifically with the kinds of programs that are offered in the schools which is being carried on at the University of Saskatchewan.

There is evidence of interest too in the newly established University of Calgary who are undertaking, with the support of the Department, studies related particularly to the problems which the Indian child faces when he is admitted to the classes which are operated by the provinces.

To regress for a moment and to make more specific reference to the program in Saskatchewan, this deals particularly with the problems which the provinces are now becoming aware of in providing an educational program to people who have a quite different cultural background.

The Education Branch of this Department is working with the Saskatchewan Department of Education to improve the educational program which is offered in the northern area of Saskatchewan.

Another bit of evidence which indicates the concern which the provinces have about this is the introduction or authorization of a book of legends which was written by an Indian and is now part of the program studies in the province of British Columbia. These are some of the things we are trying to do.

Basically we feel that this is a problem which can best be handled by the provinces and that it is our responsibility to support the provinces and interpret to them, from the experience that we have had, the need for taking into account the fact that the Indian people do have a cultural heritage which they wish to maintain to some degree and extent.

The Chairman: Gentlemen, I would just like to remind everyone that we have only until 11 o'clock and that we have people here from the Department of Manpower and Immigration as well, so if the Committee will agree we will switch over to Manpower at 10.40 a.m. to allow us to open up that field as well. If members will try and restrict themselves so that we can each have a question or two between now and then. Mr. Howard?

• 1020

Mr. Howard (Skeena): Yes. I really had not got to anything specific when Mr. MacDonald and Mr. Davey thought it well to comment upon what I was getting at.

What I was leading up to was the whole question of the constitutional aspect of edu-

cation. While I may ask it facetiously in a sense at the moment, I would like to know when you are going to get out of business—when both of you are going to disappear as an agency dealing with education?

I would like to know in that respect what is the situation with respect to negotiations or discussions at least that are taking place with the various provinces in this field of education—these negotiations are to work out an agreement with the provincial governments and departments of education so that the province will have the full jurisdiction with respect to education.

Mr. MacDonald: The policy, Mr. Howard, is quite clear: it is to get out of business. We have been pursuing this policy vigorously with every one of the provinces and have followed the technique of specific agreements in most instances with school boards to take Indian children wherever it was physically feasible to do so. The policy has been quite successful.

We are prepared to go as far and as quickly as the provinces and the school boards are willing to go. The only impediments usually have been of remoteness and the absence of an adequate school system to take over from us.

Even so, at the present time, we are still, I think, in approximately a 50-50 split in Indian children between those in provincial or ordinary school systems and those run entirely by the Department notwithstanding the greater number we have moved into the provincial systems and this is due entirely to the rapid growth of the population base.

Either Mr. Battle or Mr. Davey might give more specifics about our current negotiations with some provinces at least and indicate the hope of taking over even the more remote areas.

Mr. Howard (Skeena): Could either of the gentlemen indicate what is likely or whether there is any proposed solution to the position of Indian day schools which are on reserves or likely to be on federal Crown property and whether these would come under the jurisdiction of the respective school boards or school districts?

Mr. Davey: Yes, some progress has already been made in that direction. I am thinking of the Northland School Division in Alberta which has taken over the operation of schools on Indian reserves. Similar moves have taken place this year in northern Saskatchewan and also this year in northern Manitoba.

These are, of course, only undertaken with the consent of the Indian group concerned. When the consent of the province and the Indian people is secured with respect to schools operating on Indian reserves, the building is usually leased to the school board who will conduct the program on a nominal basis, for a nominal amount. It appears that this is the direction in which we are likely to progress.

Mr. Howard (Skeena): To go back a few years, this was held up as an obstacle at one time which was insurmountable. I am glad to see that we have got over the hurdle anyway. I wonder if I could just have one or two other questions? One which relates to what Mr. MacDonald said about teaching a language and the culture and maintaining it. How is this happening? How are you doing this?

Mr. Davey: One of the methods being used at the present time both in the North and in the South, particularly in respect to the kindergarten program, where Indian women, who are not necessarily qualified teachers but who have had some training usually with the kindergarten teacher in the same program, are appointed to work in the classroom with the teacher. This is one method.

A second approach has been to advise Indian communities that there is a period during the week when they can introduce some cultural activity. It may be arts and crafts, it may be oral language instruction, or it may be a native dance period. I must say at the present time, very few communities have taken advantage of this, but there are some and I expect that it will grow.

• 1025

Mr. Howard (Skeena): I wonder if you could provide me with—perhaps not now because of the time involved—a list of the communities within which this is operative, say, in British Columbia for my own immediate use?

Mr. Davey: Quite frankly, I cannot recall of one in British Columbia.

Mr. Howard (Skeena): Well, the list will be relatively short then. Another aspect of this that I am interested in, Mr. Chairman, is the program whereby high school students leave

their home community—I am again looking at British Columbia—and go to areas like the lower mainland, Vancouver, the Fraser Valley etcetera, and probably the same thing is true on Vancouver Island with respect, say, to southern Vancouver Island.

The children who leave their home community and go to this larger metropolitan area, live in what are in effect foster homes on a temporary basis. There has been a tremendous amount of dissatisfaction with this and I would be interested in knowing what is—to use the common phrase—the drop-out rate of students who have participated in that program?

Again, from knowledge of people at home, a number of younger people in the families that I know have felt completely alienated living in a home environment in the lower mainland with people they do not know, there is some split in the personality relationship in the family or some difficulty arises that was not known before. As a consequence the person feels even more alienated from society than he normally might be. So there is a tendency to leave, not the school, but the so-called foster home environment and drop out. I would appreciate knowing what is happening there.

Mr. Davey: A study on this particular problem is presently under way so that I am not in a position to provide data now. It will probably be several months before the study is completed because it involves a sampling across Canada. For the information of the Committee, this program on the national basis involves over 3,000 young people. It is a very extensive program.

Mr. Howard (Skeena): The limited experience by relationship, that I have had with it is that it is not successful just because of that. It is not as successful as everyone hoped it might have been in the first place.

Mr. Davey: This is not my impression, but I am hoping the study will answer you.

Mr. Howard (Skeena): I think I had better desist, Mr. Chairman.

The Chairman: Thank you, Mr. Howard. Mr. Durante?

Mr. Durante: Thank you very much, Mr. Howard. First of all the Chairman indicates to us that we have only 15 minutes on this important topic of Indian education and then Mr. Howard uses us two thirds of the time.

The Chairman: We will be back here next Tuesday on this subject.

• 1030

Mr. Durante: I certainly hope so because I do not think that we can discuss this whole vast area of Indian education in 10, 15 or 20 minutes. I would like to make reference to the point that Mr. Davey made with regard to his answer to Mr. Howard's question about Indian culture.

I am pleased, sir, that you made reference to the Province of British Columbia prescribing a text in their school system, and I would like to make mention of the author of that book, Mr. George Clutesi, who is a renowned author and artist in British Columbia.

I think that the Department of Education in British Columbia is to be commended for prescribing his text as a language arts text at the fourth grade level. However, sir, this raises this question in my mind. Do you know that the same Mr. Clutesi was employed at the Alberni Indian Residential School as a painter, and I do not mean as an artist, but as a painter of fences?

I think this is most unfortunate and I would like to know why the Department of Indian Affairs and Northern Development would allow this man's talents to be wasted by painting fences when he is an artist and an author.

Mr. R. F. Battle (Assistant Deputy Minister, Social Affairs, Department of Indian Affairs and Northern Development): I was not aware that he was employed as a painter.

Mr. Durante: Well, were you aware that he was employed?

Mr. Davey: I was aware that Mr. Clutesi was employed at the Alberni Indian Residential School.

Mr. Durante: As a painter of fences—as a maintenance man?

Mr. Davey: No, I was not aware of this capacity. I knew he did take quite an active part in some of the student activities.

Mr. Durante: On a voluntary basis—Indian dances, yes, but purely voluntary. This is the crux of the whole issue. Surely the Department of Indian Affairs and Northern Development is aware of this man's talents, his calibre and if they are not aware that he was employed as a maintenance man, they should

have been aware that he was not within their employ as a leader of Indian culture, not only in that community, or in the province, but in the whole country.

I really do not like to go to battle over one individual but I would like to know if this is a situation with Mr. Clutesi, how many other leaders in the Indian community do we have who are not taken full advantage of as far as their talents and opportunity are concerned? I think it is most unfortunate.

I think that the points that have been raised so far are very realistic. That we must retain this culture not only for the Indian people but for ourselves—for the white people—for the non-Indian. Here we have a man who is outstanding in this field, and I now understand that he is unemployed completely.

I would also like at this time to make reference to payments to Indians to assist in relocation. I see in the estimates that this amount is being increased this year by nearly two and a half, or over two and a half times, and I would like to know just exactly how you assist the Indian when you relocate him because I have seen no evidence of this so far.

Mr. Davey: Mr. Zakreski, could you answer to that please?

The Chairman: Mr. Zakreski is the placement and relocation specialist with the Department of Indian Affairs and Northern Development.

Mr. O. N. Zakreski (Superintendent, Vocational Training and Special Services (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, as I understand it, the question is specifically what assistance is available to Indian people who wish to relocate?

Mr. Durante: How do you assist the Indian when you relocate him?

Mr. Zakreski: There are two forms of assistance. First of all, we have a counselling service and prior to relocation we try and counsel the people as to what relocation involves, what problems they might encounter, and once this is done, and the Indian person decides he wants to relocate, we have assistance for them for actual transportation from where they are to where they are relocating and the place of relocation is determined primarily by where employment is available.

We have assistance for interim financial assistance to the person until they have become established in employment. We have assistance for housing accommodation, the necessities that they might require until he has been established. Now, generally this is what it is. We have assistance, for example, home furnishings. It will vary in individual cases depending on what the individual has and what they require.

Mr. Durante: Let me indicate that I have just returned from a tour of the northern end of Comox-Alberni which embraces the northern end of Vancouver Island and the adjacent islands.

• 1035

There has been a relocation program going on in that area and quite frankly, sir, I am appalled at what has gone on and I hope that the relocation that has occurred there does not—well, I know that it does not fall within the policies you have just outlined. I understand from what you say that Indians are not forced to relocate.

Mr. Zakreski: That is correct.

Mr. Durante: I do not think it is always true however, because I would like to make reference to the Tsulquate reserve in Port Hardy.

A large number of Indians have been brought on to the Tsulquate reserve, many of them against their wishes, they have now been housed in that reserve and the average tenancy is 10 per house. That is 10 Indians per house and the homes are 700 square feet. What is worse is that the homes that they left behind were burned to the ground. Now how on earth can you or anyone else justify this action?

Mr. MacDonald: Mr. Chairman, I think we will have to have an investigation into this because I do not know how it can be done against their will. Have you any information to suggest how they were forced—what is the background? It seems to be incredible.

Mr. Durante: It seems to me incredible too. It seems even more incredible that a home should be burned to the ground and that they should be required to live in the conditions in which they are now living, conditions which I saw two days ago, I was in the homes.

Mr. MacDonald: The Department has no power to force anybody to do anything.

The Chairman: Mr. Durante, we can perhaps ask for an inquiry over the weekend and we might be able to have some answers on this.

Mr. Durante: Yes, I think that we had better have some answers in that regard. I have one other question, if I may, Mr. Chairman. Do I understand that when Indian children are placed in foster homes that they are given a youth allowance?

Mr. Davey: They are given assistance.

Mr. Durante: Financial assistance?

Mr. Davey: That is right.

Mr. Durante: They are given what you and I would call an allowance of so much per week or month.

Mr. Davey: That is correct. For incidental expenses.

Mr. Durante: And how much is that?

Mr. Davey: It varies in accordance with what appears to be the need.

Mr. Durante: Age?

Mr. Davey: That is right. And also age.

Mr. Durante: Do Indian students in residential schools receive similar allowances?

Mr. Davey: No, they do not.

Mr. Durante: Why?

Mr. Davey: Because there are other sources of funds for that. Many of the requirements for incidental expenses are met by the residents.

Mr. Durante: But surely a part of any child's training is how to handle money and these children are turned out of our residential schools when they graduate from the public high schools. They are turned out into the streets and they have never been permitted to handle a $10 bill?

I submit that these children too have incidental expenses which cannot be met by the residential schools such as buying a chocolate bar or a Coke when they are permitted to go into town.

The Chairman: Thank you, Mr. Durante. I wonder if Mr. Zakreski could, when he is looking for an answer to the question raised by Mr. Durante, whether he would also determine for the Committee whether this move was made to bring these particular Indian families closer to an industry or closer to work availability.

Mr. Zakreski: I will look after this, Mr. Chairman.

The Chairman: Mr. Cullen is next on the list.

Mr. Cullen: Yes. It seems to me Mr. Chairman, and I think it is true both of Mr. Howard's comments and Mr. Durante's, that the Department unfortunately only hears all the bad and very little of the good.

I want them to know that certainly in my area we are extremely pleased with the help and the assistance that we have received from the Department.

So much so that the local Sarnia Indian reserve now is doing its own negotiating with the Department of Highways to establish a proper provincial highway through that reserve.

• 1040

They are doing their own negotiating to obtain feeder roads and they would not have been able to do this I do not think 10 years ago but with the fact—you do not want to use the word "integrated"—but with the fact that the present chief had the opportunity to attend the school system as presented in the Sarnia area.

He has done a considerable amount of reading and he is singularly interested in the members of his own tribe obviously because he has been re-elected time and time again. These are men that are now negotiating, putting highways through and looking forward to developing that in a highly industrialized area.

I wanted to follow up the comment, however, made by Mr. Howard. I recognize that this is probably out of your field but I still think that a recommendation could be made by the Department.

When we talk about integration and we talk about participation it is always the Indian comes into the White man's school. I think frankly in my own area that the Department or the board of education missed the boat a bit when they did not either put an elementary or a secondary school right in the Indian reserve and take the white children to the Indian reserve or let the other students take the buses to the school. I think it would be

more important—more appropriate— if it was the secondary school.

I do not know whether this has been done in other areas. Now, I am not suggesting that they can just go ahead and do it. First of all, thank goodness the local reserve has pretty well local autonomy as much as I have been able to determine and they would have to first of all agree to this measure. But having agreed to it, and I do not see why they would not, this strikes me as being the best way.

They are talking about bringing Indian culture to the students, well, then, let us bring the students to the area where the culture is actually in existence.

I think you could give the Indian more pride in this culture. I think the Indian himself would be more aware of the fact that he is being looked at now. When I lived in the area kids came off the reserve and they came into our schools and I do not think I was on the reserve once in the 12 or 15 years that I was down there, with one exception and that was when they had—I do not know whether they call it a "powwow" or not but that in essence where they showed the Indian dances, the Indian headdresses, they brought Indians in from other reserves to show the differences between the Chippewa, the Algonquin, and we got a bit of culture in about an hour. It is like getting your bit of church on Sunday morning, we got an hour of a bit of Indian culture once in 10 years.

I would like to see a daily integration; a white student going into the Indian school on the Indian reserve and if that has not been suggested to the Department of Education in Ontario and other provinces I think it should be suggested. I would like to leave that recommendation with the Department, sir.

The Chairman: Thank you, Mr. Cullen. Mr. Southam?

Mr. Southam: Thank you, Mr. Chairman. My question will be brief. I think I will revert from the discussions on Indians now back to Eskimos again. I was a member of the standing committee two years ago and I think there are several other members on the Committee here who will bear me out on this. In our tour across the north we were interested in some of the problems that Eskimos presented to our Committee as we heard evidence all the way from Frobisher Bay over to Inuvik, that new modern community in the north.

One of the things that was repeated as far as these briefs are concerned, and it worried me, and my question is going to be based on this; was the fact that because of our English exposure to Eskimos through the development of the DEW line and our defences and our further development up there, we were setting up schools for the young Eskimos, taking them for maybe eight, nine, 10 month periods out of their homes and villages. I am thinking here again of the big residential school in Inuvik, and then sending them back to their homes for a two month period. There seemed to a sociological gap or breakdown in family relationships and the briefs that we heard, and I think our Chairman can bear me out on this, were from a number of them which included representations from adult Eskimos who claimed that they were left behind and they were advocating the adult training for Eskimos to keep that gap as narrow as possible so that after several years of education by the younger Eskimos that there would not be that breakdown in family relationships.

It seemed to be quite a serious situation in the minds of quite a few of our senior Eskimos. I would just like to ask the officials what cognizance has been taken of this suggestion by the Eskimos for adult training? If any action has been taken, if there is a program, what has been done along this line?

Mr. MacDonald: Mr. Chairman, I would like to ask Mr. Simpson, the Assistant Director of Education, who has been responsible and who is responsible for the northern educational system to comment on that.

Mr. D. W. Simpson (Assistant Director, Education Branch, Department of Indian Affairs and Northern Development): Yes. The question as I understand it, your chief concern is with regard to the adult training and not so much with the question of the pupil goings away to school although we have made a great impact on this problem as well by placing schools in the smaller settlements from the grade one to eight level which is mainly the years six to 14.

As well as this the housing program with the housing education program to support it, has reached the adult population and it is showing very encouraging results. This is in the two-year period since you toured the North. I remember very well when that group went.

• 1045

So much so, that we have had an astounding increase in the enrolment in our schools at the local level because we are getting a very very large percentage of our children going to local schools and a very small percentage of the younger children going to residential schools although some still have to go to the residences because they are living in such isolated conditions that there is no possibility of placing a local school within reach of their homes. So these are progressing very favourably and we are very encouraged.

As far as the adult education program is concerned in this past two years, I think it is the first two-year period in which we have been able to feel that we have made any dent on the problem. We now have adult education staff on the ground in the Arctic district in the Eastern Arctic and in the Mackenzie as well at regional headquarters and programs are being evolved to meet this need.

We still have a long, long way to go and I am not trying to create the impression that we have solved it by any means but I think we are on the way.

The Housing Education Program, I think, was one of the best things that has happened in the North in many years. Before the houses went in the people were given a program to orient them to what tenancy of a house meant, what house ownership meant and a housing association, composed of Eskimos, was set up.

Along with that, this educational program sent women into the settlements to orient the new families moving into the house and into the houses to explain the problems connected with moving from perhaps a tent or an igloo or a tar paper shack into a reasonably modern house and how to look after it both from the standpoint of routines, of cleanliness, of sanitation and of health practices. These women lived amongst the Eskimo population for a period of about six months to a year in these settlements demonstrating and talking with the ladies in small groups and individually.

We are noticing a tremendous difference in the attitude both to school, to the homes and the way they are kept. I believe groups have toured the North in the past year and have commented favourably on what is happening. It is too early to judge the full results of this program but I think it does have a great deal of promise.

The Chairman: Thank you, Mr. Simpson. Mr. Southam, we are really caught here for time. We would like to open up the manpower area. I wonder if Mr. Borrie and Mr. Simpson who both indicated they have questions could limit their questions to...

Mr. Southam: I would just like to thank this gentleman—your name is Mr. Simpson? —for his optimistic report. I am glad to hear this and you say it is relatively early yet but I am sure that from what you have indicated this program will bear fruit and we can carry on from there.

The Chairman: All right. Mr. Borrie.

Mr. Borrie: Mr. Chairman, this can probably be answered quite quickly and that is that in the budget when monies have not been used completely, say for vocational training, is there a possibility that funds can be transferred from that account into, say, an adult educational account?

Mr. MacDonald: Yes.

Mr. Borrie: It can.

Mr. MacDonald: Yes.

Mr. Borrie: It can transfer within the Department?

Mr. MacDonald: Oh, yes. The only restriction is that we cannot transfer between votes.

Mr. Borrie: I see, yes. The second question that I have was—maybe it would be better to handle it this way that is, if we could get more of a rundown of the facilities that are available to the Indian children when they are attending public schools such as lunches, text books and this type of thing. If we can have this for the next meeting.

I have a reason for pursuing that line. You may be aware of it and again you may not be. That is all I have on this part on education.

Mr. Simpson: I will be very brief. I had a number of questions to ask on this subject. However, there are one or two things I just want for clarification. In Mr. MacDonald's statement, did you mention, Mr. MacDonald, something like 9,000 adults from the Northwest Territories taking adult education?

Mr. MacDonald: That was south of 60 degrees, of course, that number.

The Chairman: That is in Canada?

Mr. MacDonald: In Canada.

Mr. Simpson: I thought you were talking about the Northwest Territories and I am trying to find that 9,000 adults in the Territories.

Mr. MacDonald: That is—you are getting close to the population—

• 1050

Mr. Simpson: Also at Fort Rae and Fort Simpson you mentioned the average income $275 at Fort Rae, $800 and something at Fort Simpson. Is that per capita or is this an average income of the working people there, or is it the per capita figure? The per capita figure does not—

Mr. R. F. Battle (Assistant Deputy Minister (Social Affairs), Department of Indian Affairs and Northern Development): It would be a per capita.

Mr. Simpson: We have that population to deal with that—

Mr. Battle: With an average family of six, for example, it would be $1,500 roughly.

Mr. Simpson: I am wondering because Mr. MacDonald did mention that in relation to Fort Simpson that 74 per cent of that was earned so the balance must have been in welfare and I am wondering or trying to figure some way to break that down.

Mr. MacDonald: We can give you a breakdown of that, if you like.

Mr. Simpson: Very good.

Mr. MacDonald: We will take that particular area and give you all the component parts.

Mr. Simpson: One other thing, you mentioned 225, as I understood it, Indian and Eskimo people in universities, nurses in training and one other vocation. Could we get a figure on how many of those people are actually in universities?

Mr. MacDonald: Yes.

Mr. Simpson: This is something that has not been brought up. I will be very brief on it. I think I would like you to look into it and you may have the answer.

It was brought to my attention a few days ago, at least 10 days ago or more by two different groups of people of starvation among the Indians at Hearst, Ontario, I contacted the Minister on this. I have not received a reply as yet and I am not criticizing him for that but I would like you to look into it for our next meeting and I might say that I have heard these charges before.

They always have to be looked into because they are very important but I can go back to years ago when they charged that there were starving Indians at Nelson House in Manitoba, something which was not quite correct as reported by the newspapers but I would like to find out about this situation at Hearst, Ontario, before our next meeting.

In conclusion I would like to say that after a very informative meeting yesterday I noticed from the only press report I saw of it was that the Minister had charged the provinces with discrimination against the Indian people of Canada for the lack of roads. I think if that was the only thing that came out of our meeting yesterday, I do not think we are getting the right kind of publicity on this hearing whatsoever.

The Chairman: Mr. Simpson, thank you. I have been requested by Mr. Battle to allow him to make a brief statement on the Indian move mentioned by Mr. Durante. Mr. Battle?

Mr. Battle: I will be very brief, Mr. Chairman. First of all, on a happier note, with regard to children from outside of the reserves attending schools on the reserves. There are several instances of this already where a new school is being built and a school is being built on the reserve and children are coming from the non-Indian community into the Indian community. There are already I think some very fine examples of this. It is at least a start in the right direction.

On the matter of relocating or moving Indian people without their consent, I can assure you that there is a very very specific instruction to all of our staff, everywhere in Canada, that nobody is to be moved without their consent.

There are, of course, economic and social factors that bear heavily upon this. There are economic pressures which tend to induce people to move. Where this happens we come in and try to make it easier for them to move but if somebody is moving any Indian person without their consent then he is contravening instructions. I just want to make that point clear.

The Chairman: Thank you Mr. Battle.

Mr. Cullen: Excuse me, a supplementary. I wonder if I could get a list of the places where the schools are on the reserve where the children are actually going on to the reserve to attend school?

Mr. MacDonald: Yes.

Mr. Cullen: Thank you.

• 1055

The Chairman: I would now like to call Mr. J. P. Francis, Assistant Deputy Minister (Manpower), Department of Manpower and Immigration and since we are very limited as far as time now, I am going to ask a few questions myself to open up the questioning and perhaps you will have a chance to answer a few of these now.

I would like to know, Mr. Francis, what the Department of Manpower and Immigration (Manpower) is doing specifically to assist the participation or the fuller participation in our labour force of Indian and Eskimo people.

I want to know whether you have any, for purposes of your own statistics, whether you separate Indians and Eskimos from other Canadians.

I would like to know, if such is the case, whether you are able to tell us how many Indians and Eskimos your Department has placed in employment across Canada.

I would like to know what sort of co-operation and collaboration exists between your Department and the Department of Indian Affairs and Northern Development and also whether there is any consultation and collaboration between your Department and the various provincial labour departments as far as employment of Indians and Eskimos are concerned and I would like to know whether you are doing anything to encourage industry based in the North to hire Indians and Eskimos.

Obviously you cannot answer all of this, right now but if you could start and I am sure that my questions will open up questioning in related areas.

Mr. J. P. Francis (Assistant Deputy Minister (Manpower), Department of Manpower and Immigration): Mr. Chairman, perhaps I can start, as you suggest, by picking on your particular point about whether or not we keep separate statistics or information about the services or the activities that we extend to Indians and Eskimos and others of native ancestry and the answer to that is, no, we do not keep separate pieces of information along those lines. We try, however, to watch those particular projects or services that we know are being extended into areas or to groups of people which involve a large or a substantial proportion of individuals of native ancestry so in this more indirect way we feel we can keep some track of what we are doing in relation to the native population.

Of course, what we want to do is to extend all of the services that we offer—services of counselling, employment counselling, of job placement, of training, of mobility and of information on job opportunities—to extend those services to every Canadian.

One, has to do this within the limits of the resources we have available. This is, of course, true of everybody. We are trying, however, to achieve this kind of an objective in relation to people of native ancestry in a number of different ways. We work very closely with the Department of Indian Affairs and Northern Development.

We meet with them at the head office level, at the regional level and at the local level frequently. We work with them jointly on a large and increasing number of projects. The Deputy Minister of that Department has already referred to a number of those.

We are trying to encourage employers in a variety of ways to make greater use of the people living in the areas where their activities take place. One of the most important ways is through our training programs and these, of course, are programs, where we make contractual arrangements with the employer and reimburse the employer in respect of expenditures incurred. We also try to do this by extending our manpower counselling services to the employers by liaising with the employers and bringing to his attention the availability of people in the area in which he is operating or in the area in which he wishes to operate.

The Deputy Minister of the Department of Indian Affairs and Northern Development referred to the pilot relocation projects, these experimental projects in which we are trying to find with that Department the best ways of moving Indians to job opportunities in other communities where these exist. We work closely with the Department of Indian Affairs and Northern Development on this, we put into the areas into which these people are coming special co-ordinators in addition

to the normal staff and services that would be there.

In one of our regions, the Prairie region, we have a senior officer at the regional headquarters level who is an Indian and who is charged with examining and helping us to find the best ways of making our services effective to the native population. That is his specific responsibility and he is making, I believe, considerable progress on this.

• 1100

I could go into, if you wish, Mr. Chairman, quite a lot of detail about specific projects, specific training projects and other sorts of activities. Perhaps, though, you would prefer to hold that over until your next meeting.

The Chairman: Yes. I am afraid we are forced to do that now, Mr. Francis. If you could give us an idea, perhaps, of how many such training projects are in operation now and what sort of an increase you forecast and also if you could supply us with any statistics as to how many people you have helped—how many Indians you helped?

Mr. Francis: I will be glad to do that.

The Chairman: Thank you very much, Mr. Francis. Can we have a motion for adjournment? Mr. Cullen, moves we adjourn. Agreed.

The Committee is adjourned.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

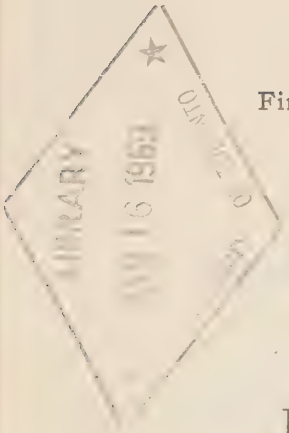
Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Publications



HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, DECEMBER 3, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. R. F. Davey, Director, Education Branch (Social Affairs); Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Mr. J. P. Francis, Assistant Deputy Minister (Manpower).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29401—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,	Gundlock,	Nielsen,
Borrie,	Howard (*Skeena*),	O'Connell,
Buchanan,	Laprise,	[2]Orlikow,
Cullen,	[1]Lessard (*Lac-Saint-Jean*),	Simpson,
Dinsdale,	Marchand (*Kamloops-Cariboo*),	Smerchanski,
Duquet,		Southam,
Forget,		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1]Replaced Mr. St. Pierre on December 2, 1968.
[2]Replaced Mr. Thomson (*Battleford-Kindersley*) on December 2, 1968.

ORDER OF REFERENCE

MONDAY, December 2, 1968.

Ordered,—That the names of Messrs. Lessard (*Lac-Saint-Jean*) and Orlikow be substituted for those of Messrs. St. Pierre and Thomson (*Battleford-Kindersley*) on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29401—1½

(*Text*)

MINUTES OF PROCEEDINGS

TUESDAY, December 3, 1968.
(8)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.15 o'clock a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Duquet, Durante, Howard (*Skeena*), Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Smerchanski, Southam, Watson, Yewchuk—(14).

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J. H. Gordon, Senior Assistant Deputy Minister (Conservation); R. F. Battle, Assistant Deputy Minister (Social Affairs); R. F. Davey, Director, Education Branch (Social Affairs); G. J. Bowen, A/Director, Engineering Services; I. S. Harlock, Chief, Development & Training, Office of the Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch (Economic Development); Messrs. D. W. Simpson, Assistant Director, Education Branch (Social Affairs); K. Bowles, Education Branch (Social Affairs); O. M. Zakreski, Superintendent, Vocational Training & Special Services, Education Branch (Social Affairs). *From the Department of Manpower and Immigration:* Messrs. J. P. Francis, Assistant Deputy Minister (Manpower); John Meyer, Assistant Director, Programs Branch. *From the National Indian Brotherhood:* Messrs. Walter Deiter, President; Deliat Opekeken; Stan Daniel; Harold Sappier; Chief John L. George; Wilf Belgard; Chief Lawrence Stevenson; Lawrence Wethead; Mr. Beaulieu and Mr. M. Charlie. *From the University of Saskatchewan:* Reverend Father André Reneault.

The Chairman introduced a delegation from the National Indian Brotherhood and gave a resumé of the functions of the Committee and said that the Committee would probably be asked to revise the Indian Act in the near future.

The following Members were asked to say a few words of welcome to the Indian delegation, on behalf of their respective Parties.

Mr. Robert Simpson, M.P., for the P.C.'s,
Mr. Gérard Laprise, M.P., for the R.Cr.,
Mr. Len Marchand, M.P., for the Lib's.

Mr. Deiter, President of the National Indian Brotherhood and Mr. Daniel, President of the Metis Association of Alberta respectively, addressed the Committee.

Mr. MacDonald answered a previous question asked by Mr. Durante, relating to the relocation and amalgamation of Indians (*See evidence*).

The Chairman informed the Committee that Mr. MacDonald would table the answers to questions asked at previous meetings.

It was agreed:—That the answers tabled be appended to this day's evidence (*See Appendix I*).

The Chairman called Item 5, Indian Affairs Administration, of the Revised Main Estimates 1968-69, and the Committee proceeded to the questioning of the witnesses.

Mr. Francis answered questions that were asked at the last meeting, in regard to the collaboration between Indian Affairs and Manpower.

Mr. Beaulieu, Chairman of the Manitoba Indian Brotherhood and Mr. Charlie, of the Yukon Brotherhood were invited to make statements.

At 1:10 o'clock p.m., the examination of the witnesses continuing, the Chairman adjourned the Committee to the call of the Chair.

D. E. Levesque,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, December 3, 1968

• 0946

The Chairman: Gentlemen, I call the meeting to order. With your permission, gentlemen, before the regular meeting starts, we would like to have the Committee's approval for an appearance before us this morning of a group of Indian people who are presently in Ottawa attending the National Indian Brotherhood of Canada meeting. With the unanimous consent of the Committee, we will introduce to the Committee the guests who are with us this morning from the National Indian Brotherhood. Do we have that unanimous consent? Agreed.

Agreed.

Gentlemen, it gives me a great deal of pleasure to introduce to you first Mr. Walter Dieter, president of the National Indian Brotherhood. Mr. Dieter is largely responsible for setting up the National Indian Brotherhood. I believe this meeting in Ottawa is the fourth you have had since your founding and the first at which you have had representation from all the provinces and the territories of Canada, and we are very happy to have you here this morning, Mr. Dieter.

The secretary of the National Indian Brotherhood, Delia Opekokew from Saskatchewan is with us also and we are most happy to have you with us, Miss Opekokew. We have Stan Daniels, President of the Metis Association of Alberta. Welcome, Mr. Daniels. Mr. Harold Sappier, head of the New Brunswick Indian Association is with us. Chief John L. George of the Burrard Indian Band; Wilf Balgard, community development worker is with us; and Chief Lawrence Stevenson of the Pasqua Reserve who is an executive of the Federation of Saskatchewan Indians is also with us and we are happy to have you, sir.

Perhaps for the information of the guests this morning, I should explain some of the things this Committee will be doing in the next few months. At the moment we are studying the Estimates of the Department of Indian Affairs and Northern Development. These Estimates we are presently studying cover money that is pretty well spent. Members of the Committee regard the study of these Estimates as an opportunity to look at Government policy and to make suggestions for future Government policy rather than strictly a study of dollars and cents that have been spent.

In the next few months we will be looking at the Indian Claims Commission Bill. This bill will be referred to us by the Government when it is introduced into the House of Commons and subsequent to that it is hoped next spring the revisions to the Indian Act will be presented to this Committee and the Committee will be looking at it and will be consulting with the Indian people across Canada as to the changes which will be suggested by the Government. So, this particular Committee has a fairly busy schedule ahead of it over the next few months, and over the next year, I am certain.

• 0950

The experience so far in the Committee has made me very confident that we have a group of people here who are most interested in the future of the Indian people of Canada and we are most sympathetic to the aspirations of our Indian and Eskimo people.

I would like to call upon Mr. Simpson who is the representative of the Conservative Caucus, a specialized group on Indian Affairs, and who is a member of this Committee, to say a few words on behalf of his Party this morning. Mr. Simpson.

Mr. Simpson: Mr. Chairman, Members of the Committee, ladies and gentlemen, on behalf of the members of the Progressive Conservative Party and of this committee I would like to say that we are more than pleased that you people have had the opportunity of visiting with our Committee today and hope that you will have the opportunity to stay here for quite a bit of the Committee meeting because I think you will find it quite interesting. We in the Progressive Conservative Party, as our Chairman said, have a caucus committee on Indian Affairs and

Northern Development comprising about 14 of our members coming from all parts of Canada. The particular area that I represent in Manitoba has quite a number of our native people living in it. We have 26 in the reservation and a great number of Metis people. We find this a very interesting Committee and I think all of the Members will agree with me when I say that Committee work in Parliament is extremely important but one of the difficult parts is that time is quite limited on Committee work in view of the other duties which your representatives in Parliament have to take care of during the session of Parliament in Ottawa. We of this Committee meet about twice a week and more often if possible. Time is an element and it is difficult to get at all the problems, but the Committee Members try to pose questions to the officials of the Indian Affairs branch on any subject coming under the Estimates which we are dealing with at this time and, if we cannot get the answers, it is not their fault because we do have an opportunity when time permits to question them at length. Thank you very much.

The Chairman: Mr. Laprise of the Créditiste Party will say a few words on behalf of his Party.

[*Interpretation*]

Mr. Laprise: Thank you, Mr. Chairman. I will just say a few words, because I am afraid that, speaking French, I may not be well understood by this delegation. In any case, I welcome them to this Committee. I can assure them that any thing they have to tell us will be listened to with open-mindedness. We shall carefully study their problems. Anything new they want to suggest to us will be studied very carefully. In so far as I am concerned, I can assure these people, and the Committee, of my entire cooperation.

The Chairman: Thank you, Mr. Laprise.

[*English*]

• 0955

The Chairman: I think it would be entirely fitting if I called on our first Indian Member of Parliament, Mr. Len Marchand, to say a few words of welcome.

Mr. Marchand (Kamloops-Cariboo): Thank you very much, Mr. Chairman. First of all I would like to introduce some of the other members of the delegation. Mr. Simone Michael, the first elected Eskimo member of the Northwest Territories Council, is here and is also attending the Human Rights meetings. He will also be staying, I believe, for the National Indian Brotherhood meetings. Also Mr. Charlie of the Yukon; and one of my fellow countrymen Mr. Adam Eneas, an Okanagan from Penticton. I was just thinking maybe Adam and I should have a little conversation in Okanagan.

I would just like to add a word of welcome. I extended a word of welcome to the fellows the other night but officially I would like to extend a welcome again on behalf of my colleagues in the Committee. We have one of the best groups that I have seen working in a committee. As you know, the concern of all Members of Parliament, of all Canadians, toward the Indian cause has never been greater and we are hoping as a Committee to get down to really learning about a lot of the things that are confronting the Indian people in their communities. We are hoping to travel as a Committee to all parts of the country, particularly when the two Bills, the Indian Claims Bill and the Bill with the amendments to the Indian Act, are referred to us for study. Members of the Committee want to see first-hand the conditions in the Indian communities and really be able to know what people are talking about when they say there is a housing problem and a development problem, and really bring this whole thing into better focus and give it the attention that the Canadian people, all Members of Parliament and all Parties want the Government to give to this problem. Before I start making a speech, I would like to conclude by again saying "Welcome".

The Chairman: Than you, Mr. Marchand. One further guest I would like to welcome is Father André Renaud, who is Professor at the University of Saskatchewan.

I would now like to call upon Walter Dieter to say a few words to us, if he would.

Mr. Walter Dieter (President, National Indian Brotherhood of Canada): I do not know just how to address you, but I will say ladies and gentlemen, we are not here to commit ourselves to anything. We are very happy to have the opportunity to meet you. We have many great plans amongst ourselves and many great suggestions. But like all true parliamentarians, we have to argue these things

out. Our meeting has not officially been on as far as the National Indian Brotherhood is concerned, and we have quite a lot of work to do in setting up this organization. We have had four meetings. We were first formed in February last year and the movement has gained in every meeting that we have had. We have a written constitution. Everybody has not sat down and chewed the rag about it yet but we are progressing in such a way that I did not think it possible to have an organization this fast.

• 1000

I would like to say that many of the people have many problems they would like to bring to the House of Commons. I think the little problems usually become bigger problems, and from these problems we can see where we are short on administration.

Then, I do not like to commit myself or any of the members of the organization and we discussed this and I thought it would be a good idea if we could just come and say hello and meet the members of this committee personally and more or less find out what we are dealing with. We are a quite suspicious lot and I think justly so. We lack in communication across the country and right down to the reserve level, and these are the things that we want to improve. So with that I think I will turn back to the Chair. Thank you.

The Chairman: Could the members acquiesce in Mr. Dieter's wish to meet each of you. Perhaps each member should stand and introduce himself, telling which part of the country he is from. I wonder if we could start with Mr. Marchand and work around, perhaps telling them what section of Canada you are from.

Len Marchand, Kamloops-Cariboo.

Martin O'Connell, from a suburb of Toronto, Scarborough East.

Robert Simpson, Churchill, Manitoba.

Gérard Laprise, Abitibi, Québec.

Paul Yewchuk, Athabasca, Alberta.

Mark Smerchanski, Provencher, Manitoba.

Jack Cullen, Sarnia riding. I also lived most of my life in Sudbury, and I know the problems up there. And I was in Mr. Simpson's area in Churchill and in the Northwest Territories for a couple of years getting my education in law. So you have some representation from various parts of the country in one member and we want to hear your problems.

Richard Durante, Comox-Alberni.

Robert Borrie, Prince George-Peace River, British Columbia, without a commercial.

Ian Watson from Laprairie otherwise known as Caughnawaga.

The Chairman: Mr. Dieter, did you want to have anyone else from your group say a few words this morning? If so, we will hear from him; otherwise we will proceed with our regular order of business. Mr. Daniels.

• 1005

Mr. Stan Daniels (President, Metis Association of Alberta): Mr. Chairman, honourable members, ladies and gentlemen, first I would like to say that it is a pleasure to be back. I was before this Committee approximately two years ago and I was very pleased with it then, but we have advanced in two years, I am sure.

A statement was made by our Prime Minister just recently about his concern for the Metis people in Canada, and a follow-up on it was made by the Association from Alberta. We are here and the provincial leaders are here to negotiate with the various departments of governments to try to gain some recognition for the Metis people. It is a known fact that there are certain areas where the Metis or non-registered Indians are in the same conditions as the treaty people, or, as a matter of fact, maybe worse.

As we all know, the last time the Metis tried to negotiate with government was approximately 83 years ago, and we did not get very good treatment then. So an attempt is timely, I think, to renegotiate and to open dialogue to try to have a line of communication with our government. We have taken it upon ourselves to meet some members of this Committee and to try to possibly expand the Committee to include the Metis people. For example, in the Province of Manitoba there may be 100,000; yet we are not too sure. Maybe 35,000 or 40,000 are in the rural areas with the rest of the more unfortunate. So the national leader of the Metis people, the Reverend Adam Cuthand, was chosen to negotiate with you, Mr. Chairman, in the hope of finding an all acceptable vehicle as a starting point, and to assist us and we in turn, hopefully, to assist you for a better government. So thank you, gentlemen, for this opportunity.

The Chairman: Thank you very much, Mr. Daniels.

Gentlemen, I would like to introduce to you one other member of our Committee who has arrived, the Honourable Walter Dinsdale, former Minister of Indian Affairs. Mr. Dinsdale.

Mr. Dinsdale: Not quite, Mr. Chairman—former Minister of Northern Affairs and National Resources—before we had the Indians as our responsibility. But we see a lot of good friends here this morning.

The Chairman: Gentlemen, we will now proceed to the regular order of business and again I would like to say on behalf of all the Committee that we look forward to working with our guests over the next few months and perhaps over the next year, as we will consult with the Indian people across Canada on the Indian Claims Commission Act and on the revisions to the Indian Act itself.

The first order of business this morning concerns a question which was raised at the last meeting and for which we have had an answer supplied by the Department. It concerns a question which was asked by Mr. Durante relating to the relocation of the Tsulquate Indian Reserve No. 4. I will call on Mr. MacDonald, who has the departmental answer to that question.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. Members will recall that a matter of some concern was the suggestion that the relocation had been done against the will of the members of the band or forcibly. I undertook to look into this immediately and I now have a report to give to the Committee.

The Department received representations about the situation of the people living on three reserves, Quaushelah, Nakwakto, and Kwawkewlth Bands back in 1962, largely related to their isolated condition and the absence of amenities and medical facilities and employment opportunities. The matter was put to the bands in question and they voted independently in May, 1964.

• 1010

The voters' list for the Quawshelah Band contained 37 eligible voters. Of this number five were absent and the remaining 32 voted in favour of amalgamation and relocation.

The voters' list for the Nakwakto Band contained the names of 17 eligible voters. Of these, 2 were absent and the remaining 15 voted in favour of amalgamation and relocation.

The voters' list for the Kwawkewlth Band contained the names of 29 eligible voters; of these 7 were absent and the remaining 22 voted in favour.

The people of the Quawshelah Band and Nakwakto Band were located in isolated areas where water supplies were inadequate. In addition, medical attention was not readily accessible and it was difficult to provide educational facilities. These two bands agreed to amalgamate with the Kwawkewlth Band in order to relocate to the Tsulquate Reserve No. 4 where water, medical assistance and school facilities were available. Tsulquate is near the non-indian community of Port Hardy, where employment opportunities are greater. The physical relocation took place in 1964. All of the Indians concerned were consulted and agreed to the amalgamation. No force or coercion was used to bring about this move.

Housing at Tsulquate is of recent construction and is in good condition. There are at present 23 houses on the reserve and they vary in size from 600 to 960 square feet. The average is 760 square feet. There is a shortage of housing at the present time, as there is on other reserves, and which the housing program is designed to overcome. Two new houses are being erected this fiscal year which will be completed by March 31, 1969, and two more are planned for next year. The commencement of the sewage system is planned for 1970 with $100,000 budgeted for the fiscal year 1970-71, $30,000 for 1971-72 and $8,000 for each of the next three years.

That is the situation, Mr. Chairman, with respect to that particular point. I should add that at Committee meetings on November 19, 28 and 29, members asked for information on a number of matters concerned with the Indian program. A lot of this information is tabular and statistical. If the Committee is agreeable, rather than read it I will hand it to the Clerk for tabling so that it will be available. With respect to those members who asked these questions, we have copies for them. We do not have enough copies for the whole Committee but if they want them before printing, we have them here as well.

The Chairman: Do members agree?

Agreed.

The Chairman: Thank you, Mr. MacDonald.

Mr. Cullen: Mr. Chairman, will additional copies be made available to all members?

The Chairman: This information will be included in the minutes of this meeting.

Mr. Cullen: Thank you.

The Chairman: This morning you have just heard Mr. J. A. MacDonald, Deputy Minister. The other witnesses we have with us are Mr. R. F. Battle, Assistant Deputy Minister, Social Affairs; Mr. R. F. Davey, Director of Education Branch, Social Affairs; Mr. I. S. Harlock, Chief, Development and Training, Office of the Personnel Adviser; Dr. T. F. Wise, Assistant Director, Development Branch; Mr. D. W. Simpson, Assistant Director, Education Branch; Mr. K. Bowles, Education Branch; and Mr. O. N. Zakreski, Superintendent, Vocational Training and Special Services, Education Branch. And we have with us, too, Mr. Francis who is the Assistant Deputy Minister in the Department of Manpower and Immigration. He is here to inform us concerning the Manpower program and how it relates to hiring of Indian people and the type of collaboration which exists between his Department and the Department of Indian Affairs.

• 1015

I would just like to remind members that when the steering committee met a few days ago, to prepare the agenda for the rest of the session, we laid down some ground rules which I thought had been explained to the Committee. However, to remind you, these ground rules are that we will be considering today specifically the Indian job situation in Canada; the vocational training available to Indians in Canada, and the other aspects directly related to employment of Indians in Canada. This is a particularly serious problem and it was felt by your steering committee that the Committee, if it hopes to do any detailed work, must deal with one subject and do it as thoroughly as it possibly can. This subject was chosen because we felt it the most important in Canada and, therefore, I would as members of the Committee to stick to this single topic.

Last session, if you remember, we got on to education generally and wandered away from the employment aspect of education. Mr. Durante, you have indicated you have a question.

Mr. Durante: Yes, Mr. Chairman. Mr. MacDonald, the amalgamation of the bands you have referred to and their relocation on the Tsulquate Reserve in Port Hardy I would have to agree with in principle. However, there were one or two points in my allegations raised at the last Committee meeting which you have failed to qualify this morning, probably unintentionally. Is it customary policy for the Department of Indian Affairs to burn down the homes of those Indians who are being relocated?

Mr. R. F. Battle (Assistant Deputy Minister, Social Affairs, Department of Indian Affairs and Northern Development): It is not customary policy to burn down homes. When new houses are being constructed in a community, there is a desire on the part of all the people who are connected with this to bring about some improvement in the appearance of the community. Some of the houses that are vacated are obviously very poor houses, and in order to clean up the community and give it the kind of appearance it ought to have, this kind of thing is discussed with the Council and some procedures established in order to do this. Sometimes this involves burning down houses, or tearing down houses.

Mr. Durante: Mr. Chairman, I will endeavour to keep my questions in relation to the topic. The two bands that I am familiar with, namely those from Blunden Harbour and Smith Inlet, were relocated in Port Hardy where it was suggested that medical and employment opportunities were far superior. Are you aware that Port Hardy does not even have a hospital?

Mr. Battle: No, I am not.

Mr. Durante: Port Hardy does not have a hospital. It has a resident doctor who may be leaving in the very near future. They have a bit of a clinic which I understand is very inadequate; certainly the residents of Port Hardy feel it is very inadequate, and they are now in the process of negotiating with the Provincial Government. The point is that the medical facilities where these bands have been relocated are not nearly as good as they are in many other areas where they probably could have been relocated. Also I understand that the employment situation in Port Hardy is not so attractive.

Utah Construction And Mining Company may well be coming out with a large expansion but at the present time this has not yet occurred. What members of those bands that we relocated are now employed?

• 1020

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Mr. Durante, I will comment in order. One has to talk in terms of relative availabilities. The point we wanted to stress was that the inaccessibility and the absence of almost any medical facilities was a very important factor. They may not be all that is desired in Port Hardy but they are, I understand, infinitely better than they were.

With respect to where they might be relocated, this is a matter which the Indian people themselves had to decide. This was a question of amalgamating with another band, and I think that was an important consideration.

We are informed that there are employment opportunities in Port Hardy. The second matter, of course, is whether or not people take advantage of the employment opportunities. There are a great number of sociological considerations which enter into that, namely, the whole past history of conditioning. This, of course, is where both our own programs and those of the Department of Manpower endeavour to work when trying to recover from in effect the terrible losses of many years of neglect. I cannot pretend that miracles occur overnight. It is a very difficult problem.

Mr. Durante: Mr. Chairman, may I be permitted one final question? I expect that when the Department instigates or suggests the relocation of various bands, that the people concerned are just that—concerned about relocation, because after all they are being removed from a place they have been calling home to a new situation. And as I indicated earlier, I agree with this principle wherever it is imperative or necessary.

I understand, Sir, and correct me if I am wrong, that there were certain conditions presented to the people here who initially had to be convinced that relocation was the solution to many of their problems, such as isolation and deprivation and so on. I understand these conditions have not yet been met. Were conditions given these people prior to their relocation? If so, what were they and how many of these conditions have been met and how many have not been met?

Mr. Battle: I am not aware of the fact that there were a number of conditions that were discussed at the time, except for one relating to improved services: improved medical services, improved educational services, and improved housing. We quite readily recognize that there is a long way to go yet before there is the kind of improvement in housing that is needed in this community. We recognize this, and this is really part of the plans.

Mr. Durante: But, sir, two of the things that you have outlined really have nothing to do with the Department of Indian Affairs or the amount that is presented in the estimates for the relocation of these people. Medical services is provincial, education is provincial, and so what it boils down to is housing, which is most inadequate when you have an average of 10 people living in each home. I cannot see the problem being resolved if we are going to build two additional homes this year. When there are 223 people living on that particular reservation just how much do we reduce the average? Further, there are only two additional homes projected for the following year. Is there nothing we can do to make the housing situation far superior to what it presently is? It is most inadequate: there are no plumbing facilities, there is no hot water, there is no sewage, and I suspect that the health conditions on that particular reservation right now are far below the standards you would like to have.

Mr. MacDonald: Mr. Chairman, Mr. Durante, I think we would agree with you but I would like to go back to my earlier remarks. This relocation was not instigated by the Department but was the result of representations to the Department by Indian leaders themselves who were concerned about conditions in these isolated areas. The housing was adequate, but as in all instances, it soon becomes inadequate due to growth in population. We are spending every dollar available to us for housing. We naturally could use a great deal more. There are other areas where the housing is in dreadful condition, and this, of course, is what the housing program is all about. We have almost a "seven loaves and fishes" problem trying to allocate

these over the needs. We agree it is one of the most urgent needs we face in the Indian program.

• 1025

With respect to the water and sewage, I referred earlier to the sewage system as planned for 1970 at a cost of $100,000 with subsequent amounts in the following years. We agree that housing is a critical and urgent matter.

Mr. Durante: Well, Mr. Chairman, I have taken up enough of the Committee's time. Thank you very much.

Mr. Simpson: Mr. Chairman, a supplementary on that particular matter that Mr. Durante was inquiring about. In view of the planned movement, of necessity I would assume, of the people in Manitoba, at South Indian Lake, resulting from flooding conditions which will, I understand, come about from the control dams on the Churchill River, what plans have the Department at this particular time in relation to the movement of these people? I would also, as I have on other occasions, ask that consideration be given to providing legal counsel of their choice for these people. In view of the situations that have come up in the past, and I am particularly thinking of Easterville now, I would also ask that consideration be given to the provision of adequate technical assistance to these people from such people as town planners, so that they would know. I admit that the Branch does not plan to make any of these moves without consultation and the opportunity for full consultation of all kinds should be given. However, due to the fact that some of the people at Easterville are not too happy with that move, I say, so that we can avoid any feelings like this in the future, that every effort be made to provide the people of South Indian Lake, the members of the Nelson House Band with adequate legal counsel of their choice, and adequate assistance by town planners before they decide where they are going.

Mr. Battle: Mr. Simpson, I am not completely familiar with the current situation at South Indian Lake. I do not know that our officials in Manitoba and the Manitoba officials, the Hydro people, the community development people in Manitoba have been working on this. They are familiar with some of the very serious difficulties that arose with respect to the move of the people at Easterville. As I understand it, the major concern at the present time is to see that the people who will be affected by this flooding, will be able to find employment and be able to have houses and live in decent conditions, and that there will be economic opportunities for them. This is the objective. The people themselves are being involved in this planning. I cannot say specifically right at this moment where it is. Certainly we have behind us the experience of Easterville, if, in fact, it is behind us. There are still many problems to be solved at Easterville, I understand, despite the fact that at that time every possible effort was made on the part of everyone to make the relocation as least dramatic as possible. Any kind of relocation from one locality to another creates serious problems for the people involved. We are hopeful that many of these problems can be minimized.

• 1030

With respect to the idea that there ought to be legal advice for these people, I understand they have also been considering this. I do not know what the decision has been, but I would be happy to look into it and let you know what the decision is.

Mr. Simpson: Very good, thank you.

The Chairman: Gentlemen, at the last meeting Mr. Francis of the Manpower branch was asked a number of questions. I believe that he has some further answers to give. Mr. Howard did you indicate that you want to ask a question?

Mr. Howard (Skeena): Just a very brief reference to a previous meeting and relating to the housing situation, Mr. Chairman. I had asked for a detailed breakdown of the housing program in terms of types of houses available, payments and interest money available, time, and the whole structure of the housing program, particularly because a lot of native people do not have the foggiest idea what the plan is. I raise that to see if that information is available.

Mr. MacDonald. We tabled a number of answers this morning, Mr. Howard; we will have the balance within a week.

Mr. Howard: I see; is it tabled here? Could they be made, or have they already been made an appendix to the proceedings?

The Chairman: Yes, they have been.

Mr. MacDonald: The housing material will be ready within a week.

The Chairman: Mr. Francis, we asked you, among other things, what sort of collaboration there was between your Department and the Department of Indian Affairs, as far as employment of Indian people is concerned, and the type of incentives you people were supplying to private industry for encouraging Indian employment in the North and elsewhere in Canada. Could you expand on your remarks which were cut short by the adjournment?

Mr. J. P. Francis (Assistant Deputy Minister (Manpower) Department of Manpower and Immigration): Mr. Chairman, I made some brief general remarks in reply to your question at the end of last session and perhaps I could give you a little more information in somewhat greater detail about the types of things that we are doing relating to people of native ancestry through the Canada Manpower centres.

Perhaps I could preface my remarks by saying that the policy we try to follow in respect to hiring and employment is to encourage companies in their new developments, or in their expansion of existing activities, to provide jobs and to hire people who live in the community, or the area in which such projects take place. We found that one of the best ways of encouraging employers to do this, that is, to hire for their projects the people who live in the district concerned, is to consult with them as early as possible and to arrange with them any needed training programs which might help the people available in that community to perform satisfactorily in a job that will be made available by their development. To that end, one of our most important types of manpower services is a training service. It is a service, not where we do the training, but where we buy the training on behalf of the people. We buy the training principally from the provincial governments, and through them from local training authorities.

It is not possible, as I indicated in my previous remarks, to specify precisely the amount of training that we are doing this year for people of native ancestry. We do not keep that type of information in our records. However, we can give you a picture of this on an estimated basis, and this might be of some interest and help to you.

At the moment, that is, in this current year, we are engaged in six different types of training, which are directly relevant and concern people of native ancestry. The first of these is what we call basic training for skill development. The purpose of these courses is to raise the level of competence of individuals in certain basic subjects such as arithmetic, certain elementary sciences, and languages, to raise them to a level in these basic subjects where they can then take additional training in an occupation. At the moment throughout the prairie provinces, mainly in the northern parts of those provinces, we are giving training to 1800 people of native ancestry, some of this on reservations and some of it near the reservations.

• 1035

The second type of training we provide and it follows from the one I mentioned, is what we call skill development training. This is training in specific occupations. Here I am give you two examples of what is happening. We are giving some heavy duty equipment operator training for northern natives in the Northwest Territories which will make it possible for them to take jobs in construction and mining operations. We are giving fishermen training at Terrace in British Columbia which will make it possible for natives to participate more fully in fishing. I should emphasize that I do not have a complete catalogue of all the courses we are providing, but I am trying to illustrate as extensively as I can some of the things that are happening.

Mr. Smerchanski: Mr. Chairman, on that number one point, are some of those 1800 being trained under the ARDA program in conjunction with the provinces?

Mr. Francis: Yes, part of them; not all of them.

Thirdly, we are co-operating with the Department of Indian Affairs and Northern Development in certain types of apprenticeship training. This is taking place particularly in the prairie provinces.

Fourthly, and this is an area we regard as being of considerable importance, we have quite a number, and an increasing number, of training in industry projects or arrangements.

This is the type of thing to which I referred in my initial comments where we try to encourage a company to establish training which will make it possible for those living near its activities to take the job that will become available. I can give you a number of examples of this type of thing. We are training in the prairie provinces 100 pulpwood cutters, and these will be people primarily of native ancestry. We are training 60 construction workers to take employment in the Nelson River dam project, and this particular project will be enlarged and include additional people. We are training approximately 60 people to become steel erectors, that is, to work on the erection of transmission towers, and this again is taking place in the prairie provinces. We are training 20 drillers, people who could take employment with the northern exploration industry, principally in the Northwest Territories. Reference was made by Mr. MacDonald at your last session to the ANVIL Corporation and we are working with Indian Affairs in an effort to develop training in conjunction with that particular project. We are hopeful that we will be able to do this.

The fifth type of training service that we are making available is what we call self-improvement training. The purpose of these courses is to help people of native ancestry to become more effective in their own environment. Accordingly, there is quite a list of types of courses here and I can give you a fair number of examples. We are training people as big game hunting guides; we have 150 people involved in such training in the prairie provinces, and we have additional training of this kind in British Columbia. We are training natives to act as tourist guides, both in the prairie provinces and in British Columbia. We are providing training in fishing, in boat and engine maintenance, in farming, in housing construction, in animal husbandry, in mechanical tree planting, in firefighting, and in tree stand treatment.

• 1040

The final type of training is something that is just being developed as far as we are concerned, and it is what we refer to as health training; to train people so that they can perform in the various health occupations. We have courses for child care and a variety of other health services, but this type of arrangement, as I mentioned, is something that is just beginning. We hope that it will develop further.

In conclusion, Mr. Chairman, our experience with these various types of training courses—and you will have to remember that our training program is just a little more than a year old—to date has been varied. In some cases we have had very substantial success. I think this occurs when there is the proper amount of preparatory counselling, and also when the training is directed towards employment that is available either immediately after the end of the course or very shortly thereafter, and when there is follow-through counselling in respect to the training. Where these types of things are present we have had very considerable success. Where they are not present, then it becomes more difficult. We feel that we have learned a lot by what we have done in the little more than a year that we have been active under this program, and we have been helped greatly by the co-operation we have received from the Indian Affairs people. We feel that on the basis of this our training activities in these kinds of fields and in respect to people of native ancestry will be expanded considerably and will become more effective. Thank you.

The Chairman: Thank you, Mr. Francis.

Gentlemen, a number of people have indicated questions. To be fair to everyone, we should limit ourselves to 10 minutes each in the first round and then we can come back if somebody wishes longer. On the first round Mr. Borrie has indicated that he has a question.

Mr. Borrie: Yes, Mr. Chairman. I have three questions and I will make them very brief. On vocational training, Mr. Francis, what level of education is required for the young, and are there any vocational training programs for the adult?

Mr. Francis: Mr. Chairman, most of the training I spoke about is for the adult. We are not really rigid on the level of educational attainment which is necessary to get into any of these courses. When you try to provide this type of training, and particularly the first type, the basic training for skill development, to people, you have to be prepared to start at quite a low educational level, and this in fact is what is happening.

Mr. Borrie: Thank you. A number of years ago, in encouraging the employment of those

over 45, the government did have an assistance program. Does this come under your department—encouraging the government to establish a similar program for the employment of native people?

Mr. Francis: I think if there were such a thing we would be involved one way or the other, yes. The previous program, the incentive program for older workers, as you may recall, was discontinued after its experimental period.

Mr. Borrie: Yes, but it did encourage a number of employers to employ those who were over 45 at the time, which I think is a process of education for the employer, to think along this line, and this is what I was thinking of in regard to the employment of natives.

• 1045

The last question I have Mr. Chairman, is, in highly unionized areas do you have any problems with the unions accepting natives as members of their unions, particularly in apprenticeship programs? This is always a difficult area even for white people to become members of unions.

Mr. Francis: Mr. Chairman, I am not aware of any problems of this kind. That does not mean that they do not exist. The unions certainly set up quite specific requirements. I would not think those requirements would be specific in relation to any ethnic group; they are specific in other types of respects. I am not aware of any problems of this kind, but, as I say, that does not mean they do not exist.

Mr. Borrie: I have heard of one occasion of it and I wondered whether this was a general type of problem. Thank you.

Mr. Francis: I would be surprised if it were a general situation.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Chairman, before I ask questions particularly arising from Mr. Francis' statement, I would like to commend the Department for some prompt action. I will begin on a positive note. You will recall last Thursday I raised the question of the handicraft course and their retail program for the Indian people in southwestern Manitoba. I was home over the weekend and I find that that course and program has been extended until Christmas. I would say this is a very excellent example of how red tape can be cut through to the benefit of the native folk.

With reference to expanding the employment opportunities of our native people, one of the problems that has arisen in the past in providing basic skills, and we had a project in Manitoba, Pembina House, which was designed to give preparatory training to our Indian citizens prior to them entering the labour market. Over a year ago Manpower withdrew its support to this project, and it was pretty well relegated to provincial responsibility. The idea of this scheme was to bring mostly young Indian people together, and it also involved some of the Metis, to give them what you might call the basic social skills—some of the items that have been outlined here this morning—so that they would be able to move freely in the labour market, and to compete on a basis of equality with the larger community. Mr. Francis said this morning that in the past year there have been improvements in these matters. Is Pembina House still outside the Manpower program, or has it been reinstated?

Mr. Francis: Mr. Chairman, my information is that in that case the problem was to try to provide the assistance required in the way which was most consistent with the different programs we have. Initially the arrangement was made under our training program. As the particular project developed, it became clear that what was required was a much broader service than just a specific training service. As you have already indicated, sir, it was a form of social rehabilitation. Therefore, it was felt by our people and those concerned that the better way of handling it would be not through our training program, but through our joint federal-provincial vocational rehabilitation program, and there was a transfer of the project from the training program to the Vocational Rehabilitation Program which was a joint one with the province, for that reason. That is my understanding. Therefore, as far as we know at the moment, the project is continuing, but continuing on this different basis. This different basis is different not only in terms of the program, but also in terms of the financial arrangements as between the federal and the provincial governments.

• 1050

Mr. Dinsdale: I think that was the point at issue, that the burden was being transferred to the province in this respect.

Mr. Francis: It was our feeling that since it was a vocational rehabilitation project, in effect, that it was properly a program in which the province should be participating financially as well us. That was the reason.

Mr. Dinsdale: Are there many more schemes of that kind across Canada, or is this unique? It would seem to me to be basic to any successful manpower training scheme that these social skills or occupational rehabilitation, I think was the phrase you used, should become available if the native people are going to compete successfully in the labour market. Is this so? Are they all under the joint provincial-federal arrangement?

Mr. Francis: That is right. We have a vocational rehabilitation agreement with every province, except Quebec, and we have activities, projects of quite a wide variety going on under these agreements right across Canada, wherever the agreements are in effect. In fact, talking about this activity in terms of the budget or the funds concerned, we anticipate next year almost doubling activity under this particular type of program.

Mr. Dinsdale: Are the programs that were outlined this morning exclusive of the vocational training and technical training that goes on in the technical and vocational schools across the country? Are they separate from those schools, or do you try to integrate them and tie them in closely with this whole chain of schools that have emerged in the past ten years?

Mr. Francis: Mr. Chairman, when we initiated the new program a little over a year ago, we felt that we should permit the province to provide the training in whatever institutional facilities it had available. What has happened is that the training we are purchasing on behalf of our clients now takes place in three kinds of situations.

Some of it, and a growing amount of it, takes place in adult training centres; that is, facilities specifically designed and provided for adult training.

Some of its takes place, however, in other types of technical and vocational schools in which young people still in the school system are also being trained. In this second case, we will have classes involving our people, adults that we have referred, and there will also be in the same school other classes providing training for young people as part of the ongoing educational system.

The third type of arrangement which exists is where our people and young people are together in the same class as well as in the same school; this also occurs.

It is our feeling that by far the best arrangement is the first; that the training of an adult is a different kind of situation in important respects from the training of a young person who is still in the school system. We, therefore, are trying to encourage the provinces to provide facilities designed to meet the needs of adults in a training situation to an increasing degree. This, in fact, as I said, is taking place.

Mr. Dinsdale: So the shift is more towards provincial responsibility in this program?

Mr. Francis: It depends what you mean by provincial responsibility. We pay the total cost of the training, we also provide to the provinces a considerable amount of money by way of capital grants to construct the facilities. Our payment for the training includes administrative costs, and overhead costs. So in fact, if the province builds the facility, which it can under our capital grant program, it can recover the total expenditure if we use the total amount of the facility for training under our program. One might put the distinction this way: we act as the banker of the client, and we pay 100 per cent of the training for the client. We do not provide the training; the province provides the training. We just pay for it.

Mr. Cullen: On a point of order, Mr. Chairman. Mr. Dinsdale, I understand the group here this morning is busy getting ready for the meeting which starts tomorrow, and I would like them to know on behalf of the Committee that they are welcome to stay here until one o'clock. We will be here until then, but they should feel free to go at anytime. I do understand that you have Committee meetings and groups to set up, Mr. Dieter, and you might know that you are free to go at anytime or free to stay here until one o'clock, if you so wish.

Mr. Dinsdale: Just one final question on this subject, Mr. Chairman. There have been vacancies in these vocational schools across the country notwithstanding the increasing

demand. What accounts for these vacancies when there is such an overwhelming demand?

• 1055

Mr. Francis: Mr. Chairman, I am surprised to hear this. I am not aware of these vacancies. If there are vacancies in adult training facilities, we will take them almost immediately.

Mr. Dinsdale: There is accommodation available in the vocational schools that is not being used.

Mr. Francis: I would have to look into a specific instance, if you have a specific instance in mind. If you are talking of the vocational schools that were built to provide training at the secondary school level as part of the provincial educational training system...

Mr. Dinsdale: I am talking about the Manpower retraining program.

Mr. Francis: If you are talking of the Manpower retraining program, I am surprised to learn that there are vacancies. If you could give me the details, I would certainly look into this.

Mr. Dinsdale: I think this is one of the problems, there have been so many changes it is confusing to people and they are not aware of the areas of responsibility as between Manpower matters, the federal government and the provincial government. Someone has already mentioned that clarification of these changes in policy might result in greater utilization, particularly to the benefit of our native people.

Mr. Francis: Mr. Chairman, I might just make one remark. The program was changed very considerably a little over a year ago, and any change is going to lead to problems, and there were problems associated with the change in the programs. Our information to an increasing degree every day is that the new arrangement is working quite satisfactorily and with increasing success. Also our information was that we now had established with most of the provincial authorities a very good rapport, particularly at the working level, and that it should be possible for this program now to go forward on a joint basis with considerable success.

Mr. Dinsdale: Thank you, Mr. Chairman.

The Chairman: Next on my list is Mr. Simpson.

Mr. Simpson: Mr. Chairman, I have a number of questions to ask on this particular subject, but the questions that I had to ask I am going to leave for the time being because I have a specific matter which I would like to bring up at this time. It is closely associated to what we are discussing. This matter was just brought to my attention yesterday by some local people in Ottawa, and apparently they are operating an Indian craft shop...

The Chairman: Mr. Simpson, we have Mr. Francis as a witness right now, and he is with Manpower. I wonder if we could perhaps complete that. If your question is one for Mr. Francis, fine. If it is not, could we get through with Mr. Francis, and then come back to the Department, because we are going to have until one o'clock today?

Mr. Simpson: The matter I intend to bring up involves adult training as well as handicraft. It is two specific problems. The most important one at this time is the request that has been made by the people operating the handicraft shop. I would like to bring it up at this meeting because it is urgent and an answer should be given on it very quickly. So if you would like me to leave that and let people direct questions to Mr. Battle...

• 1100

The Chairman: We will put you first on the list with the Department as soon as we are through with Mr. Francis.

Mr. Simpson: That will be this morning?

The Chairman: That will be this morning.

Mr. Simpson: Very good.

The Chairman: Do you have any questions you want to direct to Mr. Francis?

Mr. Smerchanski: Mr. Chairman, I think that the program laid out by Mr. Francis is a good one. Offhand I think there is one other subject that might be included and that is the matter of prospecting. There is a great shortage of prospectors in Canada at the present time and always has been and always will be. A great many of the Indian people are almost a natural to it, and it would take very little effort on the larger reservations or in some of the larger areas to provide this training for them.

I am, of course, much impressed with the fact that you are training them in big game hunting, fishing, and as tourist guides.

Mr. Chairman, all this is oriented towards the training of the Indian and I think it is not unlike many of our other training programs in that it is very compact, it is well thought out, it is well laid out, but that after the training period is over the question arises—and I am quite sure that this is the objective—as to how you get these people a proper living or a job. How do you provide them with a job?

I think it would be advisable to involve industry and involve free enterprise more than the Department has done before. I think that these are the people who are interested and qualified and competent enough to give employment after these people have been trained. I know that there has been a vacuum in this area; that possibly too much effort has been devoted to the training and not enough to utilizing the results of that training in a proper manner to obtain jobs or employment for the trainees.

I think also, Mr. Chairman, there is lacking a type of guidance group which could work out something as they have done in the United States over the past four of five years. This is social development or social adult training, if you want to call it that, where you would have people from among the Indian groups themselves working with those who are delinquent in terms of working regular hours—those who possibly might go on a long trip on the week-end and forget to come to work at nine o'clock on Monday morning.

I think you could have with your training program certain key people from among the people themselves who would take it upon themselves to make sure that they would contact these people and paint out to them their responsibility of returning to their jobs on Monday morning. I think, Mr. Chairman, that approach is as important, if not more so, than the training you are going to give these people. It is this type of attendance that is required by industry. I think this has possibly been one of the biggest, if not the biggest, problem as far as Indian labour is concerned.

I would say, Mr. Chairman, that it is no different from what occurs in many other areas of poverty in Canada today. I think that involvement of industry is important, as industry can and does want to contribute, and that in these training programs it should be involved.

• 1105

I would like to make one other observation on the matter of training. There are a great many consulting firms working under ARDA projects preparing a certain amount of information and documentation or running surveys, if you prefer, and I think, Mr. Chairman, that a review by the proper authorities would reveal that they serve very little, if any, useful purpose. This is not giving the Indian people or the Canadian taxpayer a proper run for his money.

I am very much impressed with Mr. Francis' presentation and I know that the information he has given us has been prepared be very competent people. I would leave the thought with him that somewhere along the way you should conduct a thorough study or a continuing investigation into some of these projects to see if you are really getting your dollar's worth out of it.

In conclusion, there have been, certainly in my constituency, a certain amount of resistance or bad feeling created because of the training program is being handled by consultants without involving the people in the local areas. The United Church—the boys' and the girl's home in Toulon, Manitoba—is doing an excellent job and now turns out an average of 20 Indian girls and 20 Indians boys from the Grade 11 and Grade 12 levels.

I can assure you that not one of those young people will ever be a liability. They are making a contribution to the Canadian way of life, but it is only because the local people are involved. Some of these training programs have a tendency to isolate the Indians, isolate their training on the reservation as if they were people on the outside looking in. This should not be because the Indian is a Canadian as much as anybody else and he should have the same involvement in business and the same involvement in community training so that the community can help him, whether it be from the religious standpoint, the industrial standpoint or from the standpoint of giving him employment.

I think that somewhere along the line, Mr. Francis, this should be reviewed with that purpose in mind because it is not a good feeling and it should not be there. Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Smerchanski.

Mr. O'Connell: Mr. Chairman, for the first round, as you call it, I would like to ask a few questions that relate to job training, and what I would consider more important, an opportunity later to raise the question of government social policy with respect to job opportunities. I think the general social policy—I am going to call it that—does have a pretty direct bearing on the success of some of the efforts toward job training and employment opportunities. I am going to do that in terms of the relationship of housing to jobs. I will come back to that.

First, I would like to say that I think Mr. Smerchanski hit the nail on the head when he was discussing the involvement of industry in the training programs and the follow-up with industry to try to ensure that they do retain workers and know what processes the native people are going through very frequently. I myself do not feel that enough has been done to work with major employers—the oil companies, the mining companies, the transport companies or even with government. I think this is one of the points I am going to bring up on the second round if I might, since a good deal of leadership will have to come from there. I would like to stress that point of Mr. Smerchanski's also.

I wonder if the best way of getting at the relationship between the employer and the employee in this case is not to go to the Indian organizations, the Indian associations, and see whether they, perhaps under contract, would act as counsellors, serve under contract counselling both the manpower service and the Branch and the employers. I know there is a good deal of interest among some of the Indian organizations in this respect, but I do not think any group would have a greater success than they would in conveying to employers the needs of Indians in employment, how they see employment, how they see work discipline, and working out with them some adaptations to the work processes that might see some breakthroughs in this field.

• 1110

I wish to make that point and encourage the manpower service to approach Indian organizations at the provincial level and see whether they could conduct seminars or conferences with employers and get some real dialogue going that would involve the people themselves, because there is much to be learned that way, I think.

I will make this a question; I have not been asking questions, have I? Your examples were given mainly from the Prairie Provinces and some were from the Northwest Territories. But what is going on in Ontario, in Quebec and in the Maritimes with respect to these programs? Is there some difficulty because it is federal-provincial?

Mr. Francis: I am not aware of any difficulty of the sort mentioned in the other regions. My examples were drawn mainly from the West and the North because this is certainly where most of our activity so far has taken place and has developed. I was talking yesterday with our Ontario people and I know they are active in ways similar to those I mentioned in various parts of Ontario as well, but I think it is true to say that in terms of our manpower services these have developed and become active so far more in the West and the North than they have in the other parts of the country. We are now, in fact, reviewing the situation in Ontario, in Quebec and in the Atlantic provinces.

Mr. O'Connell: Mr. Chairman, if the services do not exist in the province, how much steam is there behind the effort to either put some federal services in or to induce provincial services to emerge? Is there a problem in some of the provinces, as you see it?

Mr. Francis: I am not aware of a problem at the moment but as I said, we are now trying—and I think your phrase is a good one—to put some steam into the service in Ontario, for example, and as we do that it is possible we might run into a problem. But I am not aware of at the moment.

We have concentrated, as I say, on the West and the North, because there you have the problem exacerbated by the element of remoteness that is involved. This it seemed to us was the proper priority in terms of our approach. We are now turning our attention to the other regions and I am not at this point aware of problems of the sort you mention.

Mr. O'Connell: Mr. Francis, where you stressed the great importance of counselling, both during courses and in the post-course period, could you indicate the qualifications of the counsellors? What sort of evaluation process do you employ, and have you been

able to employ Indians in the consulting during the course training and in the post-course period?

Mr. Francis: Since the Department of Manpower and Immigration was established a little more than two years ago, there has been a considerable increase in the staff of the Department, and particularly among the manpower counsellors, as we call them. Generally speaking, the qualifications for these counsellors are university graduation and some working experience in industry. The amount of working experience in industry required varies with the level of the job, of course. All of the hiring, obviously, is done through the Public Service Commission. When the Department was established we found that the staff who were serving as counsellors included a very, very small proportion of people with university education and we felt that it was necessary to try to raise the educational level of our staff. Four hiring, as I say, since then has tended to put a little more emphasis on a university level of education, plus working experience.

• 1115

On the hiring of people of native ancestry, we have in our Prairie region this year appointed a person of Indian ancestry as the senior officer at the regional level in charge of the development and provision of our services to Indians, Eskimos, and others of native ancestry. He is an Indian and he is the person now in charge of our whole services as they apply to these groups. We have an increasing number, but I would not want to leave you with the impression that it is a large number at this time, because it is not, but we have other instances of people of native ancestry serving as counsellors in our various manpower centres. I must say I agree with the principle that has been mentioned of trying to involve these people themselves in the extension of services to them. We would like to employ more people of this kind and it is our intention to do so. We have made some progress. The senior man now, as I said, is such a person and we hope to have others throughout the organization as quickly as we can.

Mr. O'Connell: I would just like to make the point that it seems to me, and I think Mr. Smerchanski made it also, so much of the success depends upon things other than the actual training; they are the social factors, emotional factors and factors of that kind, and it well might be that the qualifications for counsellors should include the capability to assist in the social adjustments and so on, and therefore a larger Indian component might be quite reasonable in the counselling area.

Mr. Francis: Mr. Chairman, I quite agree with this remark. I think, though, that we have to see the development of our services on a co-operative basis with the Department of Indian Affairs and Northern Development and also with the provincial departments and agencies. What we have here is a need for co-operation to a considerable degree if we are going to provide the range of service that should be provided. On our part, I agree with the comments made, that we should ensure our prople have a capability in the broader fields, and this we are trying to do. However, the fact remains that our manpower programs primarily have economic objectives and I do not think we could envisage ourselves as a social service agency. In saying that, I would like to emphasize that I do agree with the importance of us having some ability some understanding and knowledge of the broader type, and this is what we ae trying to do.

Mr. O'Connell: Mr. Chairman, I have just one other question, and that is, how does your Department distinguish between a program for Indians, as described in the act, and one which includes Metis and persons of Indian ancestry?

Mr. Francis: Well, Mr. Chairman, I said persons of native ancestry and there is no distinction; it applies to them all.

Mr. O'Connell: Mr. Chairman, may I suggest we adjourn our formal meeting before all the Indian visitors depart? Perhaps they wish to comment in this whole area. It is an opportunity while they are here to hear from them.

• 1120

The Chairman: On that suggestion, Mr. O'Connell, since we have already recognized them as guests, if any of our guests have any specific comments to make on the Indian employment problem, we would be only too pleased to hear from them as witnesses this morning. Since we have already recognized you as official guests of the Committee this morning, I do not think there is any procedu-

ral problem involved in asking one of you to appear as a witness. So if any of you do have any comments, you could perhaps discuss this among yourselves. If you have any specific comments on this topic of the employment situation for Indians in Canada, would you let me know through the Clerk, or by telling one of the members, and we will arrange to hear from you this morning. We are going to be sitting here until 1 o'clock so you have a little bit of time to think about any comments you might want to make. The next person on our list is Mr. Cullen.

Mr. Cullen: Thank you Mr. Chairman. The comment made by Mr. O'Connell inviting the members of the National Indian Brotherhood of Canada to comment was almost a prologue to my comments because I am sure Mr. Francis will agree with me, fine as all of these programs are, they are not worth a hoot in Hades if the Indians do not participate and do not take full advantage and do not correct when corrections need to be made. The analogy might be drawn to the veteran of World War II who came back, and there were all kinds of things made available to him: $60 a month to help him with his university education, V.L.A. allowances, and things of this nature, but the veteran had to afford himself of these things. Nobody suggested that this was enough for the veterans. I was in school and therefore not a veteran, so that I can talk this way and I compliment these fellows on what they did. They helped win a war and then they came out and resettled themselves in the community, a community that quite frankly was strange to them after five or six years absence. There was a lot of complaining but the programs were there and the veterans used them. The point I would like to stress is that I am a little tired of the attitude that we are spoon-feeding them and I think the Indian is a little tired of that too. These programs are here as a guide, if you will, as questions that were put on the paper when the Indians were asked to come to the consultation meetings. They were only there, as a guide, some kind of frame of reference to operate from, but I hope the point is being made to the Indian people, and I am so happy that National Indian Brotherhood members are here today, that if these things are to work, Indians have got to make them work. This is only the framework.

I have seen programs set up not only for Indians but for all kinds of people in various circumstances and had they not been utilized by the people for whom they were provided, they would never have become operational. One of my questions is, and I will get to my questions as Dr. O'Connell said, does location—and I would agree with him that most of your comments seem to be on the western part of the country which, as a member of Parliament, I am interested in although I live in the east—but does location to a great extent dictate the type of training that our native people receive? For example, does the fact they are in the Northwest Territories dictate pretty well the kind of training they get? Let us take bulldozer operators as an example: there are not too many bulldozers in the Northwest Territories but there are more and more going up there. Do you have a program for moving people out, say, for a three month period to train them and then take them back to the area?

Mr. Francis: Mr. Chairman, yes, we do have such a program. We can move a person from his community to another community where the training that he would like to receive, and which would help him, is available. We can pay his moving expenses; in most cases he would receive what we call a training allowance while in training; he would also, if we moved him, receive an additional amount which would recognize the fact that he is taking the training not in the community in which he is living; in other words his training allowance would be greater than it would otherwise be. As a matter of fact, we are providing training to an increasing number of people under this kind of arrangement.

• 1125

Mr. Cullen: Is there a kind of counselling provided to the people and—I am thinking of those in the more remote areas—the kind of counselling which tells them, "You are adapted to becoming a mechanic", or "You are adapted to becoming a social worker", or "You are adapted to medical services"? Is this kind of counselling provided by the Department in the remote areas?

Mr. Francis: This is a requirement in every case where we authorize the payment of training and the payment of training allowances. In every case it is necessary that there be a prior counselling session with the individual concerned, the purpose of the

counselling session being to ensure that the decision which is made, first of all about whether there should be training or not and secondly about what kind of training there should be, is a decision made in full recognition of the interests and qualifications of the person concerned and also in view of the character of employment opportunities that are available and where they are. In every case there is a prior counselling interview.

Mr. Cullen: I would say from experience that it is difficult enough in a free enterprise system to get a good education or to get the best you can; may be you do not have the intelligence, maybe you do not have the money. From what I have heard, all members of this committee recognize the Indian problems are so much greater than those of the average person on the street who has a chance to go to school. We should ensure the Indian people and the native people recognize that we realize this and that we are really only trying to help and are not trying to lead them by the nose or—and I hate this word—spoon-feed them.

I would like to close out by saying that when you are dealing with these people I hope it is pointed out to them that people are prepared to make allowances for the fact that a fellow has not been taught arithmetic or spelling or anything on the reservation. We are not looking down our noses. We recognize the opportunity was not there.

I am very impressed with your program and particularly, Mr. Francis, with the way it is diversified. I am a member of the government but I do not think that the government really can take any credit. The Indian Brotherhood members here this morning should look at all these gentlemen and see that they do not have horns; that they really are decent human beings trying to do a decent job and this kind of diversification impresses me, and impresses me as a job done primarily by civil servants and not by governments. The government provides the money and probably the policy but not the implementation. This kind of operation impresses me tremendously. You are to be commended for it.

Mr. Smerchanski: A supplementary question on that. Mr. Francis, in your remark that you did not want to get involved in the social service programs, under your point 4 Training and Industry Projects and point 5 Self-improvement, I do think that this is where the responsibility of the trained individual should be stressed and impressed on him, his responsibility to the job and to his employer without necessarily bringing in social service programs I do not think that you have to provide the Indian or any other Canadian with psychiatric treatment or a counselling set-up. What he wants is a job so that he can make a decent living and be proud to raise his children in the community and let them have all the good things we are all entitled to. This is the point I was trying to bring out, that you could have some counsellors or guidance, just like on the old Indian reservations 20 years ago, where you had a senior citizen, or maybe two or three of them, who would give this type of counselling and guidance and they had a respect for him. In the last 20 or 30 years this has disappeared. The younger people are just in same category as some of our own younger people in that they will not listen to counselling. Therefore, there is a retraining program now in industry and a requirement to impress on these people that after they have been trained and get a job there is a responsibility to the job, a responsibility to the community, responsibility to their families and to live what we normally call a good, straight-forward, decent community life. I hope I did not misrepresent my remarks and certainly that I did not misunderstand you when you said that social service programs are not necessarily your objective. I say this simply for clarification and I do feel that all these training programs have a very direct material effect on making the Indian responsible to his job, to his employer and to his community.

• 1130

I wanted to bring this out, Mr. Chairman, because I do think the program is excellent and it is just a matter of getting that objective into a finer point and I do believe that much could be done and that this should be a good, successful program.

Mr. Francis: Mr. Chairman, may I just make a comment on that? I much appreciate these remarks. I think what I said was perhaps ambiguous. I was trying to draw a distinction between a program the primary purpose of which was social services in a welfare sense, and our program where the primary purpose is economic. Now, within that primary distinction I very much agree with you that we have to be cognizant of these social

behaviour qualities, and so on, that anybody must have in a job environment, and it is certainly very much a part of the job of our counsellors to help people in these respects.

Mr. Dinsdale: Mr. Chairman, do you have anyone else on the list?

The Chairman: No; so far as Mr. Francis is concerned...

Mr. Dinsdale: I would like to make a supplementary statement. We have been making speeches instead of asking questions, so I think I will join the speechmakers this morning.

One of the best points of contact between the larger communities and our native population, which more and more is drifting to the city, are the friendship centres, and yet I find that without exception the friendship centres are undermanned. Mr. Francis states that the personnel facilities of the Manpower offices have been expanded considerably in recent months and that counsellors have been added to the Manpower staff, but it is my experience that while there has been an expansion of personnel in the Manpower offices, there has been no similar increase in the point of contact and communication with our native people.

Indeed, the barriers are even more restrictive than before because of what several of the members have said this morning, the difficulty that our native people find in adapting to the demands of the urban environment. I would say that if we are really going to provide a counselling service that is helpful to the native people in adjusting to the community, counsellors of a particular type and in a particular place have to be provided.

It would seem to me that our friendship centres, which are points of contact between the larger community and the native people, should be staffed by suitable counselling people. I noticed Mr. Francis stated that a university degree is required. I think it needs much more than a university degree. I know some of the counsellors are young ladies who come out of college with a B.A. degree who can not communicate with the native people in any manner or by any means.

You would have a much better contact and communication if it were one of the native people operating in a friendship centre where our Indian friends actually do feel at home in the urban community.

The Chairman: Mr. Simpson?

Mr. Simpson: Mr. Chairman, I am going to get into the same vein of making, possibly, a suggestion or a statement, but it is very important and relates to Manpower training, job facilities and job availability. It has been mentioned that housing ties in quite closely and I am sure the people are all very well aware of this. As possibly members of the Department know, we have had a situation at the International Nickel development in Northern Manitoba involving a number of native people who have come in to accept employment with contractors in that area, and through no fault of theirs but because of the lack of housing they have had to settle some considerable distance outside of town.

• 1135

This is causing a great problem and, of course, it is causing concern to the employers, to the people of the mining company and a concern, at this particular moment, to the Canadian National Railways because the only way they have been able to get to this location of theirs is down the railway track.

The majority of the people at this place are steadily employed with contractors in Thompson and yet here they are, having to camp out in the bush through lack of housing at the townsite of Thompson. The housing stipulations, of course, are extremely high. The requirements are very rigid, and these people coming in to take employment certainly would not be in a position to pay what is demanded for housing at Thompson at this time even if it were available.

This is a problem, as I say, that is probably giving a great deal of concern to the people. This is one thing that ties in directly with the manpower situation and the availability of jobs.

The Chairman: Thank you, Mr. Simpson.

Mr. Cullen: May I ask a question, Mr. Chairman, in connection with what Mr. Dinsdale said about the friendship centres? Are they not operated—and this question, Mr. Dinsdale, is for you—by the Indian people and by the municipalities? Do they want an involvement by government at all, either financial or in providing counsellors? What is the background? I attended the one in Toronto as a visitor, but I never really got the background.

Mr. Dinsdale: May I answer that question, Mr. Chairman? It is a voluntary group activity operated mostly by the native people, but the problem is, as always, lack of sufficient financing. There are grants from the citizenship branch through the provincial government, and usually understaffing is one of the problems.

In this whole area of counselling the point I was trying to make is that while there has been a substantial increase in personnel, very few of the personnel in the Manpower Centres are able to communicate with our native people in their special problems. They are co-eds, freshly graduated from college in a good many instances, and I think you will understand the problem.

Now, how are you going to get a counsellor into a friendship centre, someone who can devote almost his or her full time to dealing with the personal problems, the problems of adaptation to the community? It is a financial problem; the boards raise their own money with the assistance of the grant to which I have already referred, and I suppose the best way is to increase the grant so that a counsellor could be hired.

Mr. Cullen: You raised this question in connection with Manpower. Are you suggesting that Manpower should train counsellors, or should be on the lookout for counsellors who could man these friendship centres? It seems to me we are getting involved in an Indian friendship centre that they are trying to operate themselves, and I wonder whether they have been asked whether they appreciate this kind of a system.

Mr. Dinsdale: Yes, it is one of the major difficulties of any friendship centre, and I know that representations are being made constantly in this regard. The friendship centres grew up spontaneously in response to a growing need as the native population shifts to the city, and they have growing pains arising mostly from financial difficulties.

• 1140

The Chairman: Gentlemen, I think both Mr. Dinsdale and Mr. Cullen have made their points.

Mr. Smerchanski: Mr. Chairman, if I may I should like to make an observation on this matter of temporary construction jobs. We have to recognize...

The Chairman: Is this directly related to Mr. Francis?

Mr. Smerchanski: Yes, it is; it concerns this training program. The reason I want to make this observation, Mr. Chairman, is because in the past certain members of Parliament at various times have raised the particular objection, and a strenuous one, that the Indians or some of the other people on construction are being provided very, very low type of accommodation. In their estimation it is because one might be living in a tent.

You can live just as comfortably in a tent as you can in any kind of house on a temporary construction job. These people should try to understand the problem involved. Many a time the finger is pointed at a development like International Nickel, which is a temporary construction job, because there is no provision for housing.

Now, because it is a temporary construction job it is humanly impossible to provide housing for these people, but there is nothing wrong in setting up proper tent facilities in an off-site location, and it is in this type of work that some of the Indians could be encouraged through the Manpower training program, where they could be in training or possibly living there with their families.

Now, one of the things that always is a mystery to me is that some of our members of Parliament will discredit living in a tent. The news media will come out and take pictures and publish a story to the effect that it is really a shanty town or some very, very undesirable type of life. On the contrary. It can be controlled; the local people, whether they be Indian or of any other type of ethnic background, are accustomed to this type of living because this is their way of life in the North. I bring this to your attention, Mr. Francis, because I do not think it is a problem. I do not think it is a matter of great concern provided it is approached in the proper atmosphere and in the proper context of just exactly what it is supposed to provide and achieve.

Temporary construction jobs? You cannot provide decent housing on these temporary construction jobs, but standard construction camps are all controlled by the health officers of the provinces in which they are located; they have their regulations. However, for some unknown reason, some of our communi-

ty leaders immediately raise the cry that the local people are being discriminated against, are not being treated properly.

This is not so; a tented campsite if properly constructed is just as comfortable as any hotel accommodation you can get. Mr. Chairman, I mention this simply because our papers in the past five or six years at different times have done a disservice to the Manpower Training Program that has been instituted and a disservice to organizations like the International Nickel Company, the Manitoba Hydro-Electric Board and other northern developers that are contributing to the build-up of our industrial north and the development of the north in which the local people, including the Indians, are taking part and from which they are going to prosper.

I say this for the record, simply because so many times you hear a shanty town inference because it is tented accommodation.

The Chairman: Than you, Mr. Smerchanski. If there are no other questions from members of the Committee, I have some questions for Mr. Francis.

We have heard some encouraging news from you this morning, Mr. Francis, especially about your training in industry projects and hopefully you are going to have a moderately substantial number of people working as pulpwood cutters, construction workers, steel erectors and drillers. Nevertheless, I have a feeling that if the statistics are brought out, the picture is not really as bright as it seems and the statistics which I have always been led to believe are moderately accurate are to the effect that somewhere between 40 and 50 per cent of the eligible adult male Indian labour force in Canada is unemployed. Do you have any particular statistics on this? Do you have any figures to support mine, or is this inaccurate?

• 1145

Mr. Francis: No, Mr. Chairman, we have no specific figures of that kind.

The Chairman: You have never set up a special statistical section as far as the employment of Indians or native people are concerned?

Mr. Francis: Not a special statistical section. In our statistics we do not differentiate on ethnic grounds at all; in fact, it is against the law for us to do so.

Mr. Smerchanski: Mr. Chairman, is it permissible for one of these gentlemen to make a statement?

The Chairman: Yes, Mr. Smerchanski. As soon as we are finished with Mr. Francis I intend to call Mr. Beaulieu as a witness. He has indicated he has a comment he would like to make.

An hon. Member: And what is your name?

Mr. Bob F. Charlie (Yukon Native Brotherhood, Whitehorse, Yukon): Bob Charlie.

An hon. Member: We would like to have his name added as well, Mr. Chairman.

Mr. Dinsdale: Mr. Chairman, with reference to your question, these statistics must be available somewhere because they have been published from time to time. Who keeps the employment statistics for the Indians?

Mr. MacDonald: We do not think our statistical information is that good. We are trying to improve it, but from the crude information that we have derived from a variety of sources, our agencies and regional offices, it would indicate that the Chairman's figure of about 40 per cent would be accurate if you added the words "at some time of the year", which is a very important qualification.

Mr. Southam: May I ask a supplementary question here? I think the Chairman has brought up a very interesting topic. I am sorry I was late in arriving, Mr. Chairman, but I had to attend another committee and I could not be in two places at once.

Picking up the threads of the discussion this morning under the heading of manpower and retraining, I think, we should spend a little more time in specifically obtaining statistics along this line to see if the program that we are developing in the interests of the Indian population is going to become effective, and we can use the set of figures that we have this year and compare it with next year when these deliberations are again under consideration. I think we have to delve into this because, interestingly enough, these statistics give us a picture from year to year.

The Chairman: That is a good point, Mr. Southam. Did you have any further questions on that supplementary, Mr. Southam? I have another questions or two for Mr. Francis.

How many people in your Department, Mr. Francis, are specifically assigned to encourag-

ing industry to employ Indians or are involved in some way in this aspect of the matter?

Mr. Francis: Mr. Chairman, I cannot give you that figure and it would be very, very difficult to find it. We do not approach the problem in exactly the way you have put it. Canada Manpower Centres are located in over 300 locations across Canada. Many of these centres are capable of extending mobile and itinerant services throughout the districts they serve. We try to extend our services to all of the people in all of the country through these centres and the related mobile and itinerant services and facilities. That is what we are trying to do.

Where we have CMCs in localities in which the major part—or a significant part—of the population consists of people of native ancestry, it is natural that the services become developed and extended, as far as we can do this, in a way which is tailored to their needs and their situation.

• 1150

The Chairman: Is there anyone in Ottawa, or at a superior level within your Department, who is taking it upon himself to see to it that the various Manpower Centres are paying special attention to the needs of the native people?

Mr. Francis: Yes, and not only in Ottawa. In Ottawa there are several officers who work with the Indian Affairs Department and they are directly concerned with the effectiveness of our services in relation to people of native ancestry. There are also a number of officers at the regional level who are assigned the specific responsibility of helping to ensure that our services to Indians and Eskimos are effective. I mentioned that the senior officer in our Prairie region was in fact an Indian.

The Chairman: Therefore you are making very certain, down to the lowest level of your Department, that this particular aspect is being looked after and is being paid attention to.

Mr. Francis: Yes, we are trying to do that from the top to the bottom.

The Chairman: Mr. Smerchanski raised the matter of training programs in the prospecting field. Is something being done in this area?

Mr. Francis: No. I welcome this very helpful suggestion. At the moment we are trying to arrange such a course in British Columbia, although it is not yet laid on. I will follow this suggestion up to see what possibilities there are for an extension of courses of this kind in other parts of the country. Thank you for the suggestion.

The Chairman: It would seem to me—and I certainly support Mr. Smerchanski's suggestion in this regard—that prospecting is something which is going on in every province and it seems to fall completely within the area—

Mr. Smerchanski: Quite frankly, Mr. Chairman, since you have mentioned it, one man from the University of Manitoba—and there are many capable people in Manitoba—could teach a prospecting course and train anywhere from 50 to 100 people, so that the cost to train an individual would be infinitesimal, and yet it would bring you unlimited results in employment.

The Chairman: Thank you very much. I would now like to refer to industry participation in these training programs. You have indicated in the last year there has been an encouraging increase in industry participation. I notice from the response received from a question I asked of the Department of Indian Affairs last week that the training on the job program to which the Department contributes a maximum of 50 per cent of the wages for a maximum of 52 weeks has a total enrollment of 104 people. Is this a separate program from the one you mentioned where, for example, you had 100 pulpwood cutters, construction workers, steel erectors, and so on, at Nelson River? I assume these are two different programs because the figures do not seem to jibe.

Mr. Francis: Mr. Chairman, the projects I was talking about are separate and distinct from the projects to which Mr. MacDonald and others, referred.

The Chairman: As far as Indian employment is concerned, can your Department give special incentives to employers without giving the same incentives to everyone else, or are you prevented from doing this by the very nature of the manner in which your Department is set up?

Mr. Francis: We can give incentives to employers to train; we cannot give special or

additional incentives to employers to train any particular type of person. Under the training program we can give quite considerable incentives to employers to train.

The Chairman: Do you have any plans for additional incentives so far as the employment of native people in the North are concerned? Do you have any other ideas in this regard?

• 1155

Mr. Francis: We have no plans for additional incentives that I am aware of at the moment, Mr. Chairman. It seems to me it would be rather early to go into that. I think the incentives that we have are quite considerable... We should be doing our best to ensure that the employers are making as full use of the existing incentives as possible. Frankly, I would have to say that we still have quite a considerable distance to go in that direction.

The Chairman: One of the problems, Mr. Francis, so far as employment of native people in the North is concerned which I have been made aware of—and this was touched upon by Mr. Smerchanski this morning—is absenteeism on the job. Is any consideration being given to incentives to industry to cover the cost of such absenteeism, or is this more or less covered in the training incentives?

Mr. Francis: The way in which the incentives are provided to employers means that a considerable amount of the cost of such absenteeism—provided it is agreeable to the employer and to us—would automatically be covered. We are conducting one or two experimental projects where, together with the employer, we are trying to combine training with a broader socialization or orientation process. If you are going to do this you have to be prepared to accept more absenteeism, for example, than would ordinarily be the case. So, as part of the experiment we have to be prepared to accept this, and by accepting it we automatically assume part of the cost, not all of it.

The Chairman: Are you people working as closely with the provincial labour departments as you are with the Department of Indian Affairs? Do you have relations with them in this regard?

Mr. Francis: Mr. Chairman, we have very extensive relations with provincial labour departments, particularly in respect to their apprenticeship training programs and also, in a number of cases, in respect to their training in industry activities. Many of the provincial departments of labour have training in industry programs of their own. We have a third area of co-operation with them in respect to another program that I have not mentioned, which is what we call a manpower adjustment program. In these types of cases there is a joint arrangement between the provincial department of labour, ourselves and the company concerned. We have very extensive relationships with provincial labour departments.

The Chairman: Mr. Francis, this morning both Mr. Smerchanski and Mr. O'Connell touched on an area which I also feel is the crux of the whole employment problem for our native people in the North; that is, industry participation in this, which increases the numbers of people employed. Do you feel that it would be a good idea if the federal government were to convene a conference of representatives of the Indian people of Canada, the various labour departments involved across the country, the Indian Affairs Branch, your branch, and the proper representatives of industry based in the North? When I say "proper representatives" I mean those people involved in employment such as personnel managers, and so on. Do you feel this might pay off? Many industries based in the North have practically no Indians working for them, and, at the moment they do not appear to want to employ Indians. Do you feel that we could overcome some of this reluctance by that type of a meeting, or are you attempting to do it on an individual industry by industry or company by company basis?

Mr. Francis: Mr. Chairman, we are attempting to do it on an individual basis. You are beyond that. You really are asking me to comment on what might be a matter of government policy and I, of course, could not do that. If it were decided to do something along the line you suggested I am sure we would be willing to participate, however.

• 1200

The Chairman: Are there any other questions?

Mr. Smerchanski: Mr. Chairman, a supplementary question. Mr. Francis, in the last few years there have been over 1,000 personnel

employed in the general area of Coppermine and I think that no more than possibly 20 or 25 Eskimos have been used on the Coppermine settlement. There is a distinct absence of native and local people working on these projects where the native people could find useful employment because this is the type of work that they can do. What does your Department do? Do they have an outlet, say in Yellowknife, or have they contacted these mining people? What do they do in order to encourage the people who are working in the Coppermine area to utilize local labour?

Mr. Francis: Yes, Mr. Chairman, I am aware of this situation. We do have a Canadian Manpower Centre in Yellowknife and they have been in almost daily contact with this situation. As I tried to say earlier on, I think the way in which we can make some progress in so far as our services are concerned is by getting in contact with an employer as soon as possible and making some kind of training arrangement with him so that it will be possible for the people living in the district to acquire the knowledge and skills that he needs and therefore to take the jobs that he will provide. This is the kind of approach that we have been trying to take to this. In other words the employer will frequently say to us that he cannot employ any of the people around there because they just do not have the qualifications he requires. As I say, our policy response and our response in fact is to say, "Well, all right. We have means of giving you very considerable assistance in ensuring that these people do have the qualifications you need and we are prepared to work out a specific project with you to that end."

Mr. Smerchanski: Mr. Chairman, as a further observation, I know from personal contacts that in the last two years far more native people could have been employed and gainfully employed in Coppermine than there are at the present time. I would like to throw out the suggestion that if somebody in your Department could contact the individual exploration companies in that area it would pay you off a lot more than the project you mentioned in terms of the self-improvement courses and the training in industry courses.

I think that these companies are simply not aware that there are people in the local area or the general area that want employment and that somebody somewhere along the way has erred, possibly in your Department, in not making the exploration companies in that area aware that these people are available. I do not think you would have to have any additional understanding with them except to make them aware that there are people available, whether it is from Yellowknife or north of Yellowknife or Coppermine or wherever it is. There is an outstanding deficiency in that. When you go to these areas you see 98 per cent outsiders working in this area, where close to 50 per cent and possibly better could be jobs held by the local people.

I think that in this, Mr. Francis, somewhere along the way somebody has erred, possibly not knowing the situation, and this is going on continuously. We have the development of oil in these parts and we have additional development now in that area east of the Coppermine and down in the Yukon, and I think that this is the type of work the native people would like, because it is suited to the land in which they live, in which they have trapped and hunted; yet there is an absence of these people in these areas. They could earn extremely good salaries and I think that somebody somewhere along the line has erred and certainly it would not cost the Department any additional funds to be able to bring these people to the attention of the exploration companies in that area.

Mr. Francis: Mr. Chairman, I will certainly look into this situation but it is my personal knowledge that the manager of the CMC in Yellowknife is in daily contact and discussion with the executives of exploration companies and others that are operating in that general vicinity. We cannot force them to employ local people. We have gone a considerable distance by exhortation, by discussion and by incentive through the training program, trying to create a situation where they would employ more. But I will certainly look into this on the basis of your remarks.

The Chairman: Mr. MacDonald has indicated that he would like to make a comment on this.

Mr. MacDonald: Yes, Mr. Chairman, if I may, because I think I did treat this in part in my opening remarks.

As Mr. Francis indicates, the Department of Manpower does follow this matter very closely. They cannot, as he also indicates, force an employer to do other than what he wishes to do. We having a special role in the

north and for native people, and because we do extend very direct assistance to companies, we feel that we can indeed talk to these employers in a rather different way from what the Department of Manpower might feel entitled to.

There have been, in fact, situations such as you described which we do not think are really justified. There are situations where companies going into a new area lie to put together a crews from outside that are known, that have worked together in different places and know their problems and they go in. But still a great number of the employments involved do not require that degree of skill which would justify not hiring locally. In many cases it has been lack of familiarity with what is available.

We have talked to the companies. I met a few weeks ago with the Canadian Petroleum Association, the Independent Petroleum Association of Canada and oil well drilling contractors in Calgary. We raised these problems with them. They have undertaken to receive from us lists of people with various skills and through their members to make a determined effort to increase the employment now that the oil industry seems fairly well secure with respect to its future in the north. We in Panarctic, as we reported to the House, have at the present moment five Eskimo people down at the petroleum school in Edmonton and two more coming next month. They will be employed in Alberta for the remainder of the following year or the early part of the following year by Commonwealth, and they will work on the first oil drilling in the Arctic islands. I think we will be extending this to other contractors such as the geophysical contractors who operate the base camps and these things in the north. So I think there has been a gap here and we are trying to fill it in specific ways.

Mr. Smerchanski: Mr. Chairman, I am pleased to hear you say that because there has been close to 60 per cent turnover below the technical trainees in Coppermine in the last two years. Therefore it seems that if these were local people you would not have that high turnover.

Mr. MacDonald: We put this point precisely to the employers, that the turnover in some areas is as high as 40 per cent. Quite apart from any other things, it is in their own self-interest to co-operate in this kind of program and I think they see it that way now, too.

The Chairman: Mr. Yewchuk.

Mr. Yewchuk: Mr. Chairman, I had to leave for a little while so maybe this has already been asked. As I see it, any training program is useful only if those who graduate from it eventually become gainfully employed. I was wondering whether you had any figures on this as a result of your training program. What percentage of the people that you train do get jobs on a permanent basis?

Mr. Francis: Mr. Chairman, no, I do not have any figures on this. We have two studies under way, both of which are designed to answer this question. They are follow-up studies of the people who come out of the courses that we have provided. We will know from these studies, and our plan is to have a continuing program of follow-up studies so that we have in effect a continuing feed-back of information on what happens to the people we put through training. But we do not have any information of this kind at this time.

Mr. Yewchuk: Do you have any information with regard to how many students start and then drop out of the programs or quit for one reason or another?

• 1210

Mr. Francis: We have some sketchy information on this. It will be better shortly. The information we have at the moment is that the drop-out rate is of the order of 25 per cent, but I emphasize that this is sketchy information. What we have been trying to do is to compare the drop-out rate under the programs we have now with the situation that existed under the old program, the previous shared-cost program, and our information is that there has been a very considerable improvement. One would expect that there would be an improvement because one of the big differences in the programs was on the training allowance front. The training allowances provided on the new program are much bigger, much larger and broader, so one would expect that the drop-out rate would be lower. Our information suggests that previously it was 50 per cent, but now it is somewhere in the vicinity of 20 to 25 per cent.

Mr. Yewchuk: This is certainly an improvement. It is still a fairly high drop-out rate. I

was wondering whether you had any opinions on why the drop-out rate is so high and whether you think that possibly it may be a matter of approach used. I want to back this up by stating that I think you have indicated you are prejudiced by giving these people special privileges when they do not show up to work in paying companies anyway for the difference. I appreciate the reason for doing this, but I maintain that this in itself, giving a man more chances than you would give a white man for keeping his job, is really a form of prejudice and I do not know whether this is a good thing or not.

Mr. Francis: Mr. Chairman, I said that we were doing a couple of experimental projects in which we were trying to see how we could cope with the problem of dealing with people, and I am not talking only of people of native ancestry when I say this at all. I am dealing with people who are not oriented towards an industrial environment and a wage or salary working situation. This is a much broader problem than just those of native ancestry, and we are doing a couple of experimental projects to find out what are the best ways of bringing forward people in these kinds of situations and helping them to function effectively in an urban industrial type of environment. We do not have a general policy to this effect at this time.

Mr. Yewchuk: I am wondering whether the various NewStart programs that are being operated across the country are under your Department.

Mr. Francis: No, they are under the Department of Forestry, what is to be the Department of Regional Development. They were transferred to that Department.

Mr. Yewchuk: Then there is not anobody here who could give me information on approaches used in setting up these training programs and so on?

Mr. Francis: Under the NewStart corporations, no, there is not. I do not think so.

Mr. Yewchuk: I am asking this, Mr. Chairman, because the NewStart program I am familiar with. Even though it is for everybody, it is used almost exclusively for people of native ancestry. I wanted some information as to who sets the approach used in setting up training programs, what kind of consultations are held with the people involved, and whether it is uniform throughout the country or whether you are using different approaches in different provinces and that sort of thing.

The Chairman: Could Mr. MacDonald answer that?

Mr. MacDonald: Mr. Battle probably could comment on it but I do not know whether we really should. We know about it. We are considering certain applications of it, but to endeavour to explain it on behalf of other people I think would be a rather hazardous occupation.

Mr. Yewchuk: Thank you, Mr. Chairman.

The Chairman: Gentlemen, we have completed our questioning of Mr. Francis. I would like to thank you very much, Mr. Francis, for being with us and for the information you have given us about your Department.

Two people have indicated that they have questions for the Department itself—Mr. Simpson and Mr. O'Connell—but before we get to Mr. Simpson and Mr. O'Connell I have indicated that we will hear from two witnesses, Mr. Beaulieu and Mr. Charlie.

Mr. Beaulieu, do you have any comments you would like to make on the employment of Indians, native people?

Mr. Isaac Beaulieu (Secretary Treasurer, Manitoba Indian Brotherhood): I hope that you were not over-crowding the people. I see so many Manitoba MPs sitting here. I cannot really speak on behalf of the National Indian Brotherhood except to thank the Committee for asking us to join the meeting.

• 1215

However, what I say will apply throughout and not only to Manpower, if I use that because it is most immediate to the Indian Affairs Branch. The most interesting thing, of course, is the question of co-operation. I was very glad to hear of the co-operation with the Indian Affairs branch of Manpower and vice versa in the Labour Department, but my heart stopped beating when he stopped there. When we do have Indian organizations, we have Indian people and everything like that. There was no statement of co-operation, or even a question of consultation.

I cannot really talk about these questions without my wall of expertise that would sit on that side, I suppose. Incidentally, I was

just roughly calculating that the income of that wall represents something like three times the annual budget of the Manitoba Indian Brotherhood. The question of co-operation, I think, is one on which we are most sincerely committed to our people in Manitoba.

You will excuse me if I mention Manitoba all the time because this is what we are familiar with, and I think that is the question which will lead into my familiarity with the province. I do not know how many times I heard the witness mention the words "we are unaware of the situation". We are, gentlemen, aware of the situation in Manitoba. All there is to do is to ask us about it, including New Start Corporation, even though it is not yet in Manitoba.

We also heard the attitude or the feeling that there is a lack of expertise among our people. Why do you not ask us? We have been studied so much, you know. I think we are becoming the most experts on Indians. This is the kind of thing we can do as an organization. We have the feeling of support from the Manitoba Indians. There are 32,000 of them. We have band council resolutions to satisfy the bureaucratic method. There is not one resolution which says that they do not sponsor the Manitoba Indian Brotherhood. Ninety per cent of the bands did present a resolution saying they sponsored the Brotherhood. To us personally these resolutions are meaningless, but they apparently carry weight elsewhere.

The information, as I listen to people giving it, is referred to as being sketchy, and it is said that we do not know the facts behind it. The only thing that I can say is that we do know the facts behind it in the Manitoba Indian Brotherhood, and in the Alberta Association, and in any one of those organizations. Why do people not ask us? We are organized to facilitate government agencies, not to fight them. I think this is one of the things that we want to stress very much, that with the form of organization we have, we can give this kind of information.

• 1220

Consider, for example, things like relocation programs. In Manitoba recently they had a program of relocation. Before the program was under way they asked us what we felt about it and we said, "You are doing the same old thing that has been done in various places, even places where films were made up", but they said this was different. Today, six months later, out of twenty families only two are still in Winnipeg. And they said, "What happened?" The only thing we could tell them is, "Why do you not speak to us much further and much clearer and have us participate right at the initial stages of the program?"

Experimental projects. Gentlemen, for one hundred years we have been here and you are still running experimental projects. This is the kind of thing that I wonder about. I am sure some of the things that you have been doing have been experimental projects for the past hundred years. It is time you recognized certain things about the Indian organizations. It is that we have expertise. You talk about industrial participation. There is a technical advisory council in the Manitoba Indian Brotherhood consisting of thirty people in Winnipeg who are from industry, commerce, government, and the Indian people themselves. We have no problem co-operating with industry, because we do not co-operate merely as Indians, but we co-operate as people interested in the development of the Province of Manitoba. As I said, this also would apply in a general situation in Canada.

Really this is my only comment: that we are there—particularly in Manitoba and, I am sure, in other provincial organizations and the federal organization—to facilitate the work of the government where it affects our people. For a long time we have sat in the background. For a long time we have watched this operation going. For a long time we have watched these experimental projects. For a long time we have helped in studies about us. I think most Indians have a Ph.D. in Sociology by now because they seem to provide all the answers to PhD. theses on us. These are some of the things that I would like to bring to your attention—that we are not sleeping in our communities; that we are not any more going to watch these experimental projects, these studies and this information that is lacking. We have the information; we will give it and we will help. We want to make abundantly clear that we are organized to do this. We are not organized to fight anybody. Somebody once told me—a friend of mine from the United States—that "The Indians are the only people that lost to

the United States and never benefited from it". We do not want the same situation here in Canada. We want to feel, and we want you to feel that we are organized so that we can facilitate better relationships, better co-operation right down the line. I would ask you, gentlemen, to do your share of the game. Thank you very much.

The Chairman: Thank you very much, Mr. Beaulieu. I hope, Mr. Beaulieu, in fact I am sure that Mr. Francis, representing the Manpower department and Mr. MacDonald, representing Indian affairs will remember your words about consultation. Mr. Charlie.

Mr. Charlie: I hope you will excuse any nervousness I might show; it is the first opportunity I have had to talk to a committee such as this and to such high ranking officials.

Most of the provinces in Canada seem to be well represented here. The Yukon is not. I do not know how aware you are of the situation up there.

Mr. Cullen: Excuse me, I might say that Mr. Nielsen is a member of this Committee, and the Yukon is well represented by him.

•1225

Mr. Charlie: I just wondered as I did not see him here. These are comments concerning the report made by Mr. Francis. In the Yukon, mining has come into the picture in the last few years, and it has brought the Yukon itself in the Canadian picture. We have the problem that the Yukon has not had treaties signed by the Indians in respect of the land that these mines are developing on. Perhaps if there had been treaties it might have been land that the Indians did own up until now. There is no benefit at all for the Indian people. There have been a few examples where Indian settlements, in the Whitehorse area in particular, where industries such as mining liked this part of the land, have had to move, with no say at all because they have no title to the land.

There have been recommendations about getting these Indian people involved in different projects such as prospecting. I feel that you would have to do more than that since we have no title to this land and it has been taken for the benefit of mines and what not. You have to offer these people more than just being prospectors for some company, or being labourers or cat operators.

Also, we have a vocational school in Whitehorse which is very good, and we have had a lot of Indian students attending and graduating from there. We had a representative down from the Dawson City area at a conference on revisions to the Indian Act at which briefs were presented. The representative from Dawson City stated that there was discrimination in that some of the students who graduated from a vocational course were not able to get jobs. These students, in the first place, had the gumption to enter this course. I know a lot of people feel right now that Indians should not be employed because they are not reliable. A lot of them are not sure. But these young people, as I said, showed interest in the first place in taking the course and made a start and ought to be given the opportunity to prove themselves on the job.

Another thing is trapping. A lot of the recommendations concerned industrial development. This is all right for the younger Indian people, but for the older ones, a lot of them are used to a life of trapping; they have lived it for years and they cannot change all of a sudden. It is too much of a change for them. A lot of them, I feel, would be too old to just go back and be re-educated. I do not know if this ties in with your work and whether these older people can be given some benefit to assist them in their trapping and such.

A lot of these Indian people now are moved from areas where they have lived for years. Since the Alaska Highway came through a lot of white people have come up to the Yukon. The younger Indian children have to go to school, so automatically they are taken away from their parents and sent to a boarding school maybe two or three hundred miles from their homes where they can only see their parents two months out of a year. Just recently they have realized that this is not a good thing. So now they have a system where they have the children staying at home and attending school in the community.

I will give you an example. In Pelly Crossing, between Whitehorse and Dawson City, they have a very bad problem there of drinking and crime amongst the Indian people. I feel this is mainly because these people were moved from another area called Minto, 30 miles away from there. These people have lived in that area for years, hunting and trapping and fishing out of the river. Now the are

moved to this other area and it is pretty hard for them if they want to go hunting and trapping to trek back 30 miles, because a lot of them do not have vehicles and to walk down by foot is quite difficult. They were taken away from this environment that they had been used to and they do not have anything else in this other community. Naturally if you are bored you turn to drinking. From lack of things to do a lot of pressures develop that drive these people to drinking.

Also, it has been mentioned that there is a project to build a dam on the lower part of the Yukon River near the Alaska border in the Alaskan territory itself. This would have an effect on the salmon when it comes up the Yukon River. In the summer a lot of Indian people depend on fishing as a livelihood, and if this dam is built it will cut off the salmon. Again another way of life will be taken away from these people and you are going to have more problems developing from that.

In the Yukon itself fishing plays a large part in the summer. A lot of Indian people catch salmon for food; if they catch a lot of it, more than they can use, they give it away to friends. In the Yukon there is no commercial fishing licence permitted. I do not know why, but I feel it should be because a lot of these Indian people do catch more than they can use and this would be a source of income for them.

Mr. Dinsdale commented on the Friendship Centre, and the wish that they be brought into the picture of employment of the Indian people is a great idea. We have one up in the Yukon, but we are not doing too well right now because we do not have any fund from the Citizenship Department, as you mentioned. We do not have a fund for that. At present we are about ready to give up because we are having financial difficulties. He mentioned that that is the problem in most of the other friendship centres, but it is really a greater problem in that area. We are applying right now for a grant, but things are going rather slowly and unless something happens soon we are going to have to close down. This friendship centre in Whitehorse has been a very bright thing for the Indian people. It is something for them too look forward to and it is something that could be developed further, but it would be drastic I feel if it were forced to close down. Also, I do not know how much co-operation there is between the band councils of the different reserves and your Department, but in the past the Whitehorse Band council have tried to start different projects to earn income for the community, and they made some good decisions and advanced great ideas and put them forward to the Department of Indian Affairs and Northern Development, which sent them to Ottawa, I believe, but after that they did not hear anything about them. Things were passed two or three years ago that have not been acted upon yet. This is causing the Indian people up there to lose a lot of faith in that Department. I think that is all I have to say. Thank you.

• 1230

The Chairman: Thank you very much for your remarks, Mr. Charlie. We have half an hour left, so I ask members in further questioning of officials of the Department of Indian Affairs and Nothern Development to limit themselves to five minutes on the first round and then if we have time we will come back to anyone who has additional questions. Mr. Simpson, did you have a question?

Mr. Simpson: No.

The Chairman: Mr. O'Connell?

Mr. O'Connell: I am prepared to wait.

The Chairman: I am afraid this will be your last chance before Christmas, Mr. O'Connell. On Thursday we have Panarctic Oils Limited. On Friday we have oil leasing policy. Next Tuesday we also have oil leasing policy. It may well be that you will not have too much of an opportunity to get back on this subject.

Mr. O'Connell: That is three sessions on oil?

The Chairman: That is right. We are going to have a full three and perhaps four hours on Thursday. We will sit from 9.30 until 1 o'clock, so we may get through more than we expect. We will have three witnesses from Calgary, so I assume it will take us most of Thursday morning. Do you have a question, Mr. Simpson? I would like the members to limit themselves to five minutes.

Mr. Simpson: Thank you, Mr. Chairman. I will be as brief as possible. As I started to say a while ago, this is a matter that was only brought to my attention in detail yesterday. It was mentioned, I believe, some three weeks ago. However, it was followed up yesterday.

This question relates to some people in Ottawa—and I am sure the Department is quite familiar with this—who are operating an Indian crafts shop. Apparently there is a large file of correspondence here, but the matter I would like to bring up is that at this particular time they find they are unable to carry on because of a lack of funds. They have asked the Department for a grant in order to continue this work. Apparently they are receiving and selling a considerable amount of Indian handicraft and they believe that unless they get some assistance they will have to close down, and possibly close down any day now. They are wondering why they have not been able to get an answer. They originally brought this matter up through correspondence by way of a request that the gentleman in question, Mr. R. L. Plourde, be allowed to carry on some adult education at the Lac Rapide community. There is a lot of correspondence on that. Eventually that request was turned down, but they opened this shop some time in September and they have been carrying on business ever since. I am told the Department of Indian Affairs and Northern Development officials have all of the details on how this grant would be used to carry on this business. My understanding is that they do not have sufficient capital to take merchandise from the Indian people and pay them for it, and they do not feel they should take these goods on consignment and not be able to pay for them until they are sold. They would like to know why the Department has taken so long to give them a yes or no answer. Naturally they are very desirous of getting an affirmative answer, but if after investigation it is not approved, then they would like to know why it has not been approved. I do not think that is too much for them to ask. I wonder if anyone present knows anything specifically about this case? If not, I would greatly appreciate it if the Deputy Minister could have the officials look into this matter and see if they cannot get an answer on this situation within the next 24 hours, because apparently this has been hanging fire since sometime in September. I may be wrong when I say sometime in September, but it has been hanging fire for some considerable time. The shop was opened in September and it was shortly after that they asked for a grant to carry on.

• 1235

The Chairman: Do you have any comments, Mr. MacDonald?

Mr. MacDonald: Yes, Mr. Chairman. This must be speculative, because I do not know anything about the particular case. I do not have any of my officials with me who are familiar with that area—which is the handicraft or small business side of it—but if there has been a delay in answering I could speculate and say that it would be related to the nature of the problem, because I suspect we do not have authority to make a grant to a non-Indian for a normal commercial enterprise. As you can well imagine, there have to be some limitations around what we as a government department can do and we have to live within the four corners of that. However, I assume this would be an enterprise for which we would have a great deal of sympathy because it is an outlet for Indian handicraft material. If there has been a delay I would speculate that it is because people are trying to find a solution. That often accounts for some delays. They try to explore several avenues. However, having just said that, then I agree with Mr. Simpson and I will endeavour to find an answer for him within a very short period of time.

Mr. Simpson: The names of the people are Mr. and Mrs. R. L. Plourde, and they operate the Indian Handicraft Centre at 318 Bank Street. I think I am quite correct in saying that Mrs. Plourde is of Indian ancestry. She told me that...

• 1240

Mr. MacDonald: Of course, our statutory authority covers registered Indians and we do not have the capacity to sustain ordinary commercial enterprises even though we may have an enormous amount of sympathy for this particular one. However, the thing I should do is to get the facts right away, and I will do so.

Mr. Simpson: Very good.

The Chairman: Are there any other questions?

Mr. Dinsdale: Mr. Chairman, as I look around I see that we are down to less than a quorum. I see four Conservatives and one Liberal. I think the Government members need the greater enlightenment. It is a problem whether we should continue on or not. I have one or two questions relating to education and this is a very important area. You

say this is our last opportunity to pursue these matters?

The Chairman: Mr. Dinsdale, the steering committee decided it was impossible to cover all aspects of the Department of Indian Affairs and Northern Development. We concluded that under the circumstances the best solution would be to try to study one or two topics in each area in depth. We felt the job situation was the most pressing, and that is why we went into this particular problem in greater detail than is the usual practice in committee. As we have a few minutes left, perhaps we could finish off with some questioning in this area. I think we have to be realistic as far as these estimates are concerned. The money has been spent. If we hope to be useful as a committee we will have to get into some detail and perhaps come up with some recommendations. As a committee we may have some recommendations to make about the job situation, and this will be discussed in the steering committee and referred back to this Committee on the day which we have set aside for the preparation of our report, which I believe will be the 10th or the 12th of this month. If you want to ask questions on education, go right ahead. I think, Mr. Dinsdale, you appreciate what we are trying to do. We are not being all that formal about it, but we would like to produce some results.

Mr. Dinsdale: Yes. Under the circumstances I will just very quickly state my questions. There has been encouraging progress made in recent years in the field of education. Perhaps if I were to state the three points I have in mind Mr. Davey could comment on them. This will be satisfactory for my purposes, and I trust it will be satisfactory for the Committee. I would say that the school integration program has been moving forward quite rapidly and successfully, and I would like Mr. Davey to comment on that aspect of the educational development. As far as I know, no major problems are emerging. The children are fitting in nicely with the regular community schools. I do not know if it is something which is organized, but in my constituency I have had a whole rash of complimentary letters from principals who have these students in their classes. There are so many coming in that it almost seems to be an organized campaign, but it is interesting to have these principals commenting favourably on the program.

The second matter that has been of recent concern to me is the course content for isolated schools, particularly those schools in the Northwest Territories and the yukon. I know that studies have been going on for a number of years with a view to making the course content conform to the day-to-day experience of the young people in the North, and I would like to know what progress is being made in this regard. The final matter—and this was brought out by Mr. Charlie just a moment ago—is the old technique in the North of isolating children from their parents for long periods of time. We thought this was controlled many years ago by the establishment of a cottage system within the community. What progress is being made in this regard?

Mr. R. F. Davey (Director, Education Branch (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, to start with Mr. Dinsdale's request for a general comment, I can only agree with him that the progress has generally been quite good. I do not mean by this that there are no problems, there very definitely are. The young people have problems of adjustment to living in an urban situation coming, as many of them do, from rural surroundings. This is not a problem that is only peculiar to Indians. I am advised that even at the universities those students who come from rural areas find it much more difficult to adjust than those who have an urban background. Some of these problems are under investigation, and I made reference to some of these studies at the last meeting which I attended. The preliminary figures suggest that in this year we will achieve the greatest influx of Indian children into the provincial systems of any year, which is evidence that the Indian parents too believe that this is a better program than having their children educated in segregated schools.

To speak about the course content, the schools which have operated south of the 60th Parallel in our opinion have not had sufficient content dealing with the cultural background of the Indian people, and we have taken some steps to improve this to which I made reference at the last meeting also. Rather than speak of the north which is an area with which I am not very familiar, having only had some responsibility for this in the last

couple of months, I would prefer to leave Mr. Simpson to speak on that particular topic.

• 1245

The third matter raised by Mr. Dinsdale related to the isolation of Indian children from their homes through the use of hostile facilities by the boarding homes and similar arrangements. Once again it is interesting to note that for the first time that I can recall, the enrolment in what we formerly called the residential schools has declined. These are preliminary figures but the indication is that the enrolment in these institutions has declined by about 500 out of a total enrolment of some 9,000. So in this area I believe we are moving in the right direction too.

I hope that in saying that I am not creating the impression that I am satisfied that we are moving as fast as we should. We are certainly not, but we are trying to speed up various methods of reducing the rather traumatic experience which young people cannot help but experience when they are removed from the environment with which they are familiar and placed in an environment which is alien to them.

One of the methods that we are using—Mr. Dinsdale has referred to one of them—is the use of the small cottage dormitory in the community. We have started to use more extensively Indian homes in their own communities as boarding places for the children of parents who are perhaps migratory workers and who, for other reasons, have to be placed in foster homes or in foster care. These are some of the new things that are taking place.

These are some of the directions in which we are moving, and I would ask Mr. Simpson to speak specifically about the program in the north.

Mr. Dinsdale: Could Mr. Simpson also comment on the other problem that arises from time to time—the treatment of Indian history and Indian culture in history texts and course content? Or may be that is your reponsibility.

The Chairman: I think that topic, Mr. Dinsdale, if I am not mistaken, came up last week.

Mr. Dinsdale: That is fine.

Mr. D. W. Simpson (Assistant Director, Education Branch (Social Affairs), Department of Indian Affairs and Northern Development): To follow up on the question of numbers of children in isolated areas attending pupil residences for ten months of the year and being separated from their homes, I think I could give you some data that would indicate that this problem is lessening. Whereas when you were Minister there were a large number of the children—I would say approximately 1,500 children out of about 4,500 total enrolment—in large pupil residences, today we have about the same number of pupils in pupil residences but we have 9,700 children in school. In other words the total enrolment has more than doubled in that period of time but the residence enrolment has not grown. As a matter of fact, I have a suspicion it has decreased. Looking at the composition of that enrolment I think is revealing, because just in the past year we did a survey and we discovered that practically all the children now going into the large pupil residences are 12 years and over. So the residences have become a place for older children who wish to pursue their education into secondary school, and only those from the most isolated camps still have to go to residences for elementary school.

• 1250

This policy of placing schools in the settlements has worked quite successfully, not only from the standpoint of giving them school facilities near their homes, but also of rapidly increasing the proportion of the people who are coming to school. So I think from that standpoint we are quite encouraged. The small pupil residence we thought was an answer, but with the movement into the urban settlement the numbers have not been required to any great extent. So they are going into the settlements in their own homes and there are a avery small number, only 13 actually, of the small pupil residences in the north, that is, north of the 60th Parallel and northern Quebec.

The Chairman: I might draw your attention to the fact that we have only a short time left and that there are other members of the Committee who may want to ask questions. If there are no other members who wish to ask questions, we will allow Mr. Dinsdale to proceed over his time limit.

Mr. Dinsdale: Mr. Chairman, I have finished my questions. I was just going to make the comment that Mary Carpenter would be happy about that.

Mr. D. W. Simpson: Yes. There was a second part to your question. I believe it concerned what progress was being made with adaptation of materials or production of materials to closely identify with the Indian and Eskimo people and also with the environment in which they live. There has been a continuing production of these materials, not as fast as we would like. We embarked upon a project to produce a basic reading series. I read just a few days ago that one of the publishing companies in the United States says that it costs about $1 million to produce a basic reading series, and I think this helps to explain why there has been criticism of the use of "Dick and Jane" books. These things cost money. Like the bumblebee, we did not know that we could not fly so we tried to fly anyway and we have been trying to produce this. It is more costly than we thought. We have two books produced. We have another edition that we hope to put out in colour. The costs are quite high, but they are definitely produced on the local environment and on the local culture for the Eskimo pupils.

We have had a number of books related to the teaching of English as a second language for these children who come to school without any knowledge of the English language. These are mainly books for the teachers, to give them a scientific approach to the teaching of English in this particular specialized environment.

There have been other types of books as well, and I think one of the areas in which we have made great progress, not related to publications but which does help to relate to the education in the local situation, is the use of indigenous people as classroom assistants. We now have over 40 in the north in the classrooms helping the teachers in their duties to relate to these children who come from a completely different culture and environment.

The Chairman: Thank you, Mr. Simpson. Mr. Simpson, do you have a question?

Mr. Simpson: I do not suppose the Department can project far enough ahead to see the day when residence schools will pretty well be done away with. Is it possible to do that?

Mr. D. W. Simpson: I think it would take a complete revolution in the living and the development of the northern part of the country, the far north at least, before you could do away with them completely, because they seem to me to provide the type of educational facility needed for secondary school pupils in this day and age. Many options are needed and you have to have a large number together to justify the erection of a school and the assembly of staff with specialist knowledge, and to meet that need I think will require them to be brought together in a central place. It is not like in the south where you can bus them in 20 or 30 miles and get that number together. In the north I think we will always have to fly them in. I should not say always, but in the foreseeable future.

• 1255

Mr. Simpson: I should have mentioned that I meant within the provinces. I know you would have the same problem, possibly. People living in the very small isolated communities do not justify the construction of a school, but has there been any thought given to bringing these people out of the small communities as you do now and in some way, possibly by providing residences for them, integrating them into public school systems?

Mr. R. F. Davey (Director, Education Branch (Social Affairs), Department of Indian Affairs and Northern Development): Mr. Chairman, if I might be permitted a comment on that, the role of these so-called residential schools is changing fairly rapidly. In 1945, immediately following the Second World War, this was the most common method of educating Indian children. At that time there were—I am not sure that my memory will support me here but I believe there were about 9,000, about the same number in 1945 as there are today, but the Indian school population has grown from 16,000 to over 65,000. So that now the bulk of the Indian children are receiving their education while living at home.

Immediately following the war the schools were used primarily as welfare institutions, and with the extension of provincial welfare services to Indian communities—this is particularly noticeable in southern Ontario where the need for a residential school has almost been eliminated by the extension of the Children's Aid Society services to the Indian communities, and this will continue—these institutions are now becoming residences to provide accommodation for youngsters coming

out for secondary education. This is becoming increasingly their role.

Unfortunately many of these institutions are in remote areas and they will just have to be abandoned. Already we are closing them. In 1945, there were approximately 76 residential schools; today there are 62, and we anticipate closing four at the end of the current fiscal year.

The Chairman: Are there further questions? I have a couple for you, Mr. Davey. I notice your figures on teacher training. You have 27 Indian students taking teacher training this year. Are you, as Director of the Education Branch of the Department of Indian Affairs, doing something specific to encourage more Indian students entering the teaching profession?

Mr. Davey: Yes, Mr. Chairman, we are, in two respects. Mr. Simpson has already made reference to the use of young Indian women as teacher aids. We hope that this will serve as a means of motivating young Indians, particularly Indian women, to enter the teaching profession. It is a source of regret to me that out of, I think, 150 that we record at the university level, only 27 are in faculties of education. The problem is twofold: first of all of motivation and secondly of raising the academic level of the Indian student population. Maybe I can indicate how this has changed since 1945. In 1945 there was a fraction of 1 per cent of the Indian school population at the secondary school level and the number was in the neighbourhood of a hundred.

Today, during the last academic year there were just under 6,000.

•1300

The Chairman: What was the percentage of the total?

Mr. Davey: The percentage of the total school population is roughly 11 per cent.

The Chairman: What percentage of the secondary school age Indian children are in secondary school?

Mr. Davey: I am sorry I cannot answer that question.

The Chairman: Of the 6,000 Indian students in secondary school, I notice that your 1967-1968 figures show that there are 1,932. I presume that they are all in secondary school, or in vocational courses. Is that right?

Mr. Davey: That is right.

The Chairman: I notice that your figures show 156 Indian students in university. Since very few of the Indian students appear to be going on to university, why are there so few in vocational training?

Mr. Davey: The answer to that question is twofold. First of all I am not sure that the figure of 1,932 that is quoted represents the total number in high school who are registered in those courses. Those are all that we have records of, but we are dependent upon the provinces to provide this information to us and we have some difficulty in getting the information from some of the schools.

The second thing is that because a number of the Indian students at the secondary school level are over the normal age for the grades that they are in, many of them are anxious to get into courses that will provide them with vocational skills. And so, in addition to that number there are a further 2,000—2,081 I think is the figure—in vocational training courses, but not high school.

The Chairman: Putting it another way, do you have any statistics on how many Indian students are leaving school, either as graduates or drop-outs, to enter the labour force or to enter the prospective labour force without any additional training, vocational or university? They are not going to university; therefore I would like to know how many are dropping out or leaving school and going on to the job market without vocational training.

Mr. Davey: I cannot give you specific figures, but I can give you an indication. Approximately 5,000 leave the school system every year and of that number there are about 4,000 who are receiving some kind of vocational training.

The Chairman: Of the 5,000 that leave or drop out, 4,000 are getting some kind of vocational training.

Mr. Davey: That is right.

May I correct the statement I have just made. The number of 4,000 in vocational training includes some who have been out of school for some time and I cannot give you a breakdown of those who left at the end of June and went into the labour market at that time.

The Chairman: The point which is obvious here which I am trying to make is simply

that still too many are leaving school; more than should be the case. These students are eligible for one thing only and that is unemployment.

Mr. Davey: That is correct.

The Chairman: Do you have further plans to improve your vocational training system?

Mr. MacDonald: This, Mr. Chairman, surely is the study of the drop-out. In fact, this is a very real problem, one that concerns us very greatly, and Mr. Davey is conducting special studies in this. It goes into the whole environment—housing, family, as well as the individual student. The drop-out rate is excessive; it has been falling but still is way above average and a matter of great concern.

Mr. D. W. Simpson: Mr. Chairman, I think I could add something about teacher training as far as the north is concerned. We realize that one of the problems to overcome with these people who have been such a short time in school is that of senior matriculation examinations, which sometimes act as a very distinct barrier to Indian and Eskimo and Metis children.

• 1305

This year in the Northwest Territories we have embarked upon a pilot teacher training project, taking students one year below this level where they would not have to try this examination. We have 17 being trained at Yellowknife at the present time.

We disagree with placing people in the teaching profession if they are going to be substandard and have no way of getting out. But this is a five-year project in which, over the course of five years, they will arrive at full teacher training by participating in summer courses and upgrading so that they will have the equivalent of a provincial degree and will be able to go anywhere they wish.

The Chairman: Thank you, Mr. Simpson. I have a couple of other questions, if the Committee will bear with me for another minute or two. I would like to know from Mr. MacDonald what the oil companies who receive leases from the federal government in the Northwest Territories and the Arctic generally are doing as far as employing or attempting to employ Indian and Eskimo labourers. We have heard that Panarctic Oils Limited is doing something. Do you have any information on any of the other major companies such as the Société Nationale des Pétroles D'Aquitaine and all the large American companies? Are they making any effort whatsoever?

Mr. MacDonald: I do not think we would say that we are satisfied that the effort is what it should be, and that was the reason for my meeting with the industry, components of the industry, in Calgary two weeks ago. We have got assurances from them that they will make a very determined effort. We are going to provide them with the identification of the people available so that they can make the appropriate plans, including plans for training.

The Chairman: You mentioned, Mr. MacDonald, that you had met with the Independent Petroleum Association of Canada which, I presume, is a group of Canadian petroleum companies.

Mr. MacDonald: No, I am sorry, sir. I met with the directors of the Canadian Petroleum Association, the Independent Petroleum Association and the oil well drilling contractors, three of those which collectively constitute the industry as majors and independents.

The Chairman: I questioned Mr. Francis about private industry participation increasing the number of Indian people who are employed in Canada. Has your department any specifically new projects in this regard?

Mr. MacDonald: Yes. I have talked to the Committee before about the various things we are doing and the agreements we are making with the resource industries. I think Mr. Battle could elaborate on an interesting new possibility that we are working on at the present moment.

Mr. Battle: Mr. Chairman, these discussions that are going on with respect to this new approach are still being handled in some confidence and I would not want to name the firms that we are dealing with. But what we are attempting to arrange is to enter into contract with a large business concern under which they would undertake training programs and relocation programs serving Indian people in various parts of the country. If we enter into this arrangement it will be on a pilot basis and will affect probably one or two provinces in the beginning, but in effect what it amounts to is bringing industry into the

area of providing a service which at the present time normally government provides. We hope that as a result of this we will make some breakthroughs.

The Chairman: Thank you, Mr. Battle. Are there further questions, gentlemen?

Mr. Simpson: I neglected to say when I was talking about that craft shop to Mr. MacDonald that I would appreciate if it whoever is asked to look into this would get in touch with these people directly, because I certainly do not want to be the intermediary carrying messages.

• 1310

The Chairman: Relating to trapping, has your Department given any consideration to the support of fur prices or to some way of indirect support of the trapping industry?

Mr. Battle: The matter of providing some form of subsidy has been discussed within the Department, not in any conclusive way, Mr. Chairman, because it involves a number of departments and agencies, so that I cannot be very specific on that point.

In the trapping field the extent to which we have been able to provide help is in the form of advances to enable some of these people to get out on their trap lines and stay out on their trap lines and to help them get equipment for this purpose. But even with all of this kind of assistance trapping still seems to be a pretty precarious kind of livelihood.

The Chairman: Thank you. A motion for adjournment? Mr. Simpson, seconded by Mr. Marchand.

APPENDIX "I"

Answers to questions asked at previous meetings.

1. **Mr. Laprise** Nov. 19, 1968

Relocation—Indians of Nemaska

This settlement is on the Rupert River about 70 miles east of Rupert House. There are approximately 25 Indian families but during the trapping and fishing season only one or two families stay at the Post. They are originally of the Waswanipi and Rupert House Bands.

The Hudson's Bay Post which is near Lake Evans is closing for a number of reasons, such as depreciation of their buildings; difficulty in having acceptable staff; high cost of air freight. In addition, the Matagami Indian Fishing Association at Matagami meets all merchandise needs of these Indians during the fishing season. This deprives Hudson's Bay Co. of considerable business.

In June 1968, members of the Abitibi District field staff visited Nemaska to obtain the views of the Band members and Council concerning relocation to other areas. A Band Council Resolution dated May 29, 1968 indicates that some members are prepared to be relocated to Rupert House and some to Mistassini. They imposed conditions such as the payment of transportation and proper dwellings.

The Indians seem divided on what their plans should be. As indicated, some have stated that they would like to transfer to the Mistassini Band, some with the Rupert House Band. There are still a number of Indians that have not made up their minds. The Department at this stage, is reluctant to exercise any pressure on this group to relocate elsewhere and it is felt that the decision should come from them.

Negotiations with the Indians are still going on as to their relocation. Hudson Bay will not close their operation until June 1, 1969.

2. **Mr. Southam** Nov. 19, 1968

Indian Act Consultations—Mr. Howard Adams

Dr. Adams, a Metis, claimed to represent about 25 Indians living in Saskatoon and asked to speak for them at the Regina meeting September 16-20.

The Official Indian delegates at the meeting decided that Dr. Adams could voice his opinions on Wednesday afternoon, September 18, 1968. This he did and his comments will appear in the official minutes of the meeting. These minutes are in the process of being prepared and as soon as they are printed they will be made available to the members of the Standing Committee as well as to all others who desire a copy.

3. (a) **Mr. Simpson** Nov. 19, 1968

List of Welfare Rates

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT
SOCIAL ASSISTANCE RATES
AS OF

July 1, 1968

The schedules of Departmental social assistance indicate the maximum amounts available to Indian persons who have no financial resources.

The amount of food and clothing assistance provided a destitute family may be readily calculated from these schedules when the ages of the children are known.

Much more detailed information on the circumstances and resources of a family unit are required to determine the exact amount of assistance for which a family may be eligible in accordance with social assistance regulations in each region.

DEPARTMENTAL SOCIAL ASSISTANCE
RATES
MARITIMES

Food

	per month
First Adult	26.00
Second Adult	17.00
Additional Adult	17.00
Child under 12 years	13.00

Prescribed Special Diets
Actual cost

Clothing

	per month
First Adult	10.00
Each additional person	5.00

Shelter

	per month
Rental—Rural	40.00
Urban	60.00

Fuel and Utilities

Actual cost

Household and Personal Incidentals

	per month
First Adult	6.00
Second Adult	4.00
Child under 18 yrs. not receiving an allowance	2.00
Each additional person over 18 yrs.	2.00
Maximum per family unit	15.00

Special Needs

As required

Room and Board

	per month
Private home:	
1 person ... actual cost up to	80.00
couple .....actual cost up to	120.00
Emergency placement—actual cost	
Institutional placement (adults)—actual per diem maintenance rates and $15.00 comfort allowance.	

DEPARTMENTAL SOCIAL ASSISTANCE RATES QUEBEC

Food

	per month
Head of Household	30.00
Spouse—or any dependents 18 years and over	20.00
Children under 18 yrs. (up to 8 children)	15.00
Any additional child	10.00

Clothing

	per month
Each person	5.00

Shelter

Actual cost

Fuel and Utilities

Actual cost

Room and Board

Actual cost

DEPARTMENTAL SOCIAL ASSISTANCE RATES ONTARIO

Pre-added Budget
(includes food, clothing & personal incidentals)

	per month
One Adult	$ 47.00
Two Adults	80.00
Two Adults & 1 child 0-9 yrs.	99.00
Two Adults & 1 child 10-15 yrs.	107.00
Two Adults & 1 dependent (16 yrs. & over)	112.00

Adjustments

For families of seven or more children for each additional person ADD:

	per month
Each person over 16 yrs.	36.00
Each child 10-15 yrs.	31.00
Each child 0-9 yrs.	23.00

Prescribed Special Diets

	per month
Pregnancy	5.10
Gastric	5.10
Diabetic	10.30
Other	Actual Cost

Shelter

	Heated per month	Unheated per month
Single	$ 43.00	$ 43.00
Couple	85.00	75.00
Adult & 1 dependent	85.00	75.00
Each additional dependent	5.00	5.00

Fuel and Utilities

Fuel

Allowance calculated on basis of style of house, number of rooms, season of year and cost of fuel.

Utilities

	per month
Single person	$ 8.00
Each dependent	1.00
Maximum	12.00

Household Supplies

Monthly maximum per household	7.00

Room and Board

Private Home

	per month
1 Adult	85.00
Couple	130.00
Private Home	
First child	45.00
Second child	40.00
Each additional child	30.00
Hostel	Actual Cost
	max. per day
Nursing Home	7.50

Supplementary Aid

For recipients of governmental allowances to meet shelter costs 20.00

DEPARTMENTAL SOCIAL ASSISTANCE RATES

MANITOBA

Food

	per month
Each adult	26.00
Each person 15-19 yrs.	30.00
Each person 12-14 yrs.	27.00
Each person 7-11 yrs.	22.00
Each person 4- 6 yrs.	18.00
Each person 0- 3 yrs.	16.00

Adjustments

	per month
Single person (alone) add	5.00
Two persons add	6.00
Three persons add	1.00
Each person in excess of 5 deduct 2.00	
Recipients resident in remote areas, add up to 25%.	

Prescribed Special Diets

	per month
Post T.B.	39.18
High protein	39.18
High Vitamin	39.18
High Calorie	39.18
Ulcer II	40.10
Ulcer III	38.77
Bland	38.77
Smooth	38.77
Low Fat	29.90
Diabetic	24.03 to 38.04
Other	Actual cost

Clothing

	per month
Each Adult	5.00
Each Child 12-17 yrs.	6.00
Each Child 7-11 yrs.	5.00
Each Child 0- 6 yrs.	4.00

Shelter

	per month
Rental—Single person living alone	up to 25.00
Two adults living together	up to 40.00
Family	up to 55.00
Licensed Elderly Persons Housing	actual cost

In special circumstances maximum may be exceeded by an amount up to $10.00 per month.

Fuel and Utilities

Fuel	per month
Single	15.75
Family (rooming)	15.75
Family (in a house)	20.00
To meet actual costs a grant of $50.00 may be paid.	
Recipients resident in remote areas	Actual cost

Utilities	per month
Water, light and cooking	7.50
If required additional	7.50

Personal and Household Incidentals

	per month
Single Person	10.00
Single Person (in family)	5.00
Single Person (in Institution)	5.00
Single Person (boarding)	7.00
Family (1 Adult)	10.00
Family (2 Adults)	15.00

Adjustments

	per month
Blind person	5.00
Socially active aged and infirm persons in institutions	7.00

Special Needs

As required

Room and Restaurant Meals

	per month
Single persons	70.00

Room and Board

	per month
In Relatives' home without special care	
Single person	actual cost up to 50.00
Couple	actual cost up to 90.00
In Relatives' home with special care	
Single person	actual cost up to 85.00
Couple (one requires special care)	actual cost up to 120.00
Couple (both require special care)	actual cost up to 15.00

Room and Board (cont.)

	per month
In Private Boarding Home without Special Care	
Single person actual cost up to ..	65.00
Couple actual cost up to	110.00
In Private Boarding Home with Special Care	
Single person actual cost up to ..	100.00
Couple (one requires special care) actual cost up to	140.00
Couple (both require special care) actual cost up to	175.00

In Licensed Institutions—approved per diem rate.

DEPARTMENTAL SOCIAL ASSISTANCE RATES SASKATCHEWAN

Food

	Per Month
Each Adult	$ 26.50
Children 0-4 yrs.	14.50
Children 5-9 yrs.	21.00
Children 10-14 yrs.	26.00
Children 15-19 yrs.	28.00

Adjustments

Single person add	$ 2.00
Two persons add	1.00
Four persons deduct	5.00
Each additional person deduct	3.00

Varying percentage reductions where home grown produce is available.

Prescribed Special Diets

Actual Cost

Clothing

	Per Month
Children 0-4 yrs.	$ 5.00
Children 5-9 yrs.	6.80
Children 10-14 yrs.	7.50
Children 15-19 yrs.	8.00
Children 20 yrs. & over	10.00

Fuel and Utilities

Fuel

Rates range from $3.00 to $4.50 for cooking fuel; heating allowances range from $7.00 to $24.50 in accordance with the seasons.

Utilities

Water and electricity rates range from $2.20 to $7.00 according to geographic location.

Household and Personal Incidentals

Personal

	Per Month
Adult	$ 3.25
Adult (Boarding)	10.00
Children 0-4 yrs.	.45
Children 5-9 yrs.	.60
Children 10-14 yrs.	.85
Children 15-19 yrs.	1.75

Household

	Per Month
1-2 persons	$ 1.60
3-4 persons	2.45
5-6 persons	3.75
7-9 persons	4.40

Special Needs

As required.

Room and Restaurant Meals

	Per Day
Room	$ 3.00
Meals—Breakfast	.85
—Dinner	1.25
—Supper	1.25

Room and Board

	Per Month
Single (Adult)	$ 60.00

	Per Day
Children 0-9 yrs.	1.40
Children 10-15 yrs.	1.55
Children 16-21 yrs.	1.70

Licensed Nursing and Special Care Homes (Adults).

	Per Month
Supervisory Care	$ 180.00
Comfort Allowance	15.00

DEPARTMENTAL SOCIAL ASSISTANCE RATES ALBERTA

Food

	Male Per Month
Adult living with others	$ 27.60
Adult living alone	33.10
Adult living alone with inadequate cooking and refrigeration facilities	36.80

	Female Per Month
Adult living with others	$ 24.00
Adul living alone	28.70
Adult living alone with inadequate cooking and refrigeration facilities	31.90

	Per Month
Married Couple	$ 51.50

	Male Per Month
Children under 1 year	$ 13.60
1- 3 yrs.	13.90
4- 6 yrs.	14.80
7- 9 yrs.	19.60
10-11 yrs.	20.80
12-15 yrs.	26.20
16-20 yrs.	32.50

	Female Per Month
Children under 1 year	$ 13.60
1- 3 yrs.	13.90
4- 6 yrs.	14.80
7- 9 yrs.	19.60
10-11 yrs.	20.80
12-15 yrs.	25.20
16-20 yrs.	26.20

Adjustments

Family of Two—
Increase by 10% or increase by 15% if inadequate cooking and refrigeration facilities.

Family of Three—
Increase 5%
IF one member is an infant increase 10%.
IF inadequate cooking and refrigeration facilities increase 10%.
(IF there is an infant—increase 15%).

Family of 4, 5 or 6—No Adjustment.

Family of 7 or more persons—deduct 5% from food.

Make deductions for home grown produce.

Prescribed Special Diets

Diabetes	$ 6.40
Ulcer	6.30
Low Calorie	3.25
High protein	8.00
Gluten Free	7.50
T.B.	8.00*
Pregnancy	6.40†
Restricted Sodium	3.75

* Upon discharge.
† Last 3 months only.

Clothing

	Male Per Month
Adults	$ 8.00
Children under 1 yr.	$ 4.30
Children 1-2 yrs.	5.90
Children 3-6 yrs.	6.80

	Female Per Month
Adults	$ 9.00
Children under 1 yr.	$ 4.30
Children 1-2 yrs.	5.90
Children 3-6 yrs.	8.30

	Per Month
Married Couple	$ 17.00

	Male Per month	*Female* Per month
Children 7-12 yrs.	8.60	8.40
Children 13-16 yrs.	10.50	10.70
Children 17-20 yrs.	9.10	8.70

Adjustments

For family of 7 or more persons—deduct 5%.

ALBERTA (Cont.)

Shelter

Average community rents based on an acceptable standard for health and decency.

Fuel & Utilities

The amounts of payments vary with the regional type of energy used.

Personal & Household Incidentals

Personal

Male	8.00	per month
Female	10.00	" "
Family	25.00	" "

Household

$5.00 per month per family unit.

Special Needs

Actual Costs—as required.

Room & Board

Ages of Children	*Allowances Per Day*
0- 1 yr.	.60
1- 3 yrs.	.70
4- 6 yrs.	.80
7- 9 yrs.	.90
10-12 yrs.	1.00
13-15 yrs.	1.20
16-18 yrs.	1.30

Adults—

Private Boarding Home	Actual Cost
Nursing Home	8.00 per day
Comfort Allowance	15.00 per month

Welfare Homes

Unemployment single men (Youngstown)	2.00 per day
Comfort allowance	15.00 per month
Unmarried Mother	3.00 per day
Unmarried Mother & Child	4.00 per day

Senior Citizens Homes

Single occupancy bedrooms	80.00 per month
Double occupancy bedrooms	70.00 " "
Self-contained housekeeping Units—Single	40.00 per month
—Double	50.00 " "

DEPARTMENTAL SOCIAL ASSISTANCE RATES BRITISH COLUMBIA

Persons	*Food*	*Fuel, Clothing & Sundries*	*Shelter*
1	35.00	10.00	30.00
2	60.00	20.00	45.00
3	70.00	30.00	50.00
4	85.00	35.00	55.00
5	100.00	40.00	60.00
6	110.00	50.00	65.00
7	120.00	60.00	70.00
8	130.00	70.00	75.00
	(add $10.00 for each (additional member (over 8)	(Add $10.00 for each (additional member (over 8)	(Add $5.00 for each (member over 8; in (cases of hardship) (add $10.00 for 2 or (more)

Prescribed Special Diets

Ulcer	6.00
Bland	5.00
Diabetic	3.50
Reducing	2.50
High protein	9.00
High Calorie	9.00
Tuberculosis	7.50
Pre-natal	5.00

Special Needs

as required.

Room & Board

Child (with relatives)	45.00 maximum
Boarding Home care—	
Adults	3.95 per day
	120.00 per month
Private Hospital Care—	
Adults	8.05 per day
	245.00 per month
Comfort Allowance	16.00 per month

DEPARTMENTAL SOCIAL ASSISTANCE
RATES
YUKON

Food

(including Household Sundries)

	Area (1) Whitehorse, Carcross Teslin, Carmacks, Haines Junction, Burwash. Monthly	Area (2) Dawson City, Mayo, Pelly Crosing, Old Crow, Watson Lake, Ross River. Monthly
Unit 1	$ 45.00	$ 50.00
2 (adult(s) and/or child)	70.00	80.00
3 (adult(s) and/or child(ren)	85.00	96.00
4 (adult(s) and children)	100.00	115.00
5	115.00	130.00
6	125.00	144.00
7	130.00	150.00
8	135.00	156.00

Adjustments (1) For each additional child after Unit 8 add $15.00 per month in Area (1) and $23.00 per month in Area (2).

(2) An additional $10.00 per month may be granted for persons requiring a special diet or with a history of tuberculosis, on recommendation of attending physician.

OTHER BASIC ESSENTIALS (CLOTHING, SHELTER, FUEL, ETC.) AVAILABLE ON BASIS OR NEED AT ACTUAL COST.

DEPARTMENTAL SOCIAL ASSISTANCE RATES
NORTHWEST TERRITORIES

03.02 6. Scale of Maximum Monthly Grocery Allowances

SCALE 1

Age Group 0-5 years	Age Group 6-11 years	Age Group 12-16 years	Age Group Over 16
$10	$15	$20	$25

Cape Dorset Povungnituk

SCALE 2

$15	$20	$25	$30
Eskimo Point	Fort Chimo		Churchill
Poste-de-la-Baleine	Pangnirtung		Rankin Inlet
Lake Harbour	Baker Lake		Fort Smith
Pt. Burwell	Chesterfield Inlet		Yellowknife
Whale Cove	Pt. Harrison		Hay River
Belcher Is.	Frobisher Bay		Fort Simpson
			Tuktoyaktuk

SCALE 3

$20	$25	$30	$35
Repluse Bay	Arctic Bay	Clyde River	Pond Inlet
Sugluk	Resolute Bay	Coral Harbour	Wakeham Bay
Payne Bay	Ivujivik	Ft. George	Inuvik
Broughton Is.	Igloolik	Grise Fiord	

SCALE 4

$20	$30	$35	$40
Coppermine		Cambridge Bay	

OTHER BASIC ESSENTIALS (CLOTHING, SHELTER, FUEL, ETC.) AVAILABLE ON BASIS OF NEED AT ACTUAL COST.

3. (b) **Mr. Simpson**
Indians and Eskimos employed

(i) *Indians*

	Teachers	*Others*	*Total*
Martimes	3	29	32
Quebec	12	47	59
Ontario	83	83	166
Manitoba	9	49	58
Saskatchewan	35	47	82
Alberta	6	30	36
B.C. & Yukon	11	40	51
Ottawa H-qtrs	1	25	26
	160	350	510
			510

In addition there are 33 "enfranchised" Indian persons working in the Branch. Also there are in excess of 150 "Casual" Janitors employed on a part-time basis at Indian Day Schools throughout Canada.

A large number of projects are undertaken on Reserves where Indian residents are employed for work periods lasting from 2 or 3 weeks to several months. A survey (30-9-68) has established that in this category, a total of 2500 man-years are involved with a total expenditure of $7,500,000 for fiscal year 1968-69.

(ii) *Eskimos*

There are 715 Eskimos employed by the Federal Government. They are located as follows:

Arctic Quebec	110
Frobisher Bay	219
Keewatin	220
Mackenzie District	166

Mr. Watson—November 28, 1968.

The number of Indian and Eskimo children in vocational schools

The total number of students in various grades enrolled in vocational courses in 1967-68 was 1,932.

The above number does not include Indians and Eskimos registered in post-school vocational programs. The number for this group was 2,390 in 1967-68.

Mr. Watson—November 28, 1968.

What encouragement is private industry giving for training programs?

Training by private industry can be broken down into two broad categories.

A. *Training individuals*

Under the Training or the Job program individuals can be placed in employment

with private industry and the industry compensated for the training by the Department contributing to a maximum of 50 per cent of the wages for a maximum of 52 weeks. During the fiscal year 1967-1968 a total of 104 persons were enrolled in this type of training at a total cost to the Department of $51,763.68. The average cost per trainee was $497.72. The program is now being expanded to include other federal government departments.

B. *Group Training*

Where an industry or the Department can identify a particular skill as being in demand and arrangements can be made for the training to be provided the Department will participate to the extent required to assist in involving Indian people in the training. This usually involves a joint effort on the part of the Department of Manpower, the industry, the provincial Department of Education, and the Department of Indian Affairs and Northern Development.

Mr. Dinsdale

Brandon Handicrafts—November 28, 1968.

Indian people together with people of Indian ancestry, are taking training in handicrafts at Brandon. The project is jointly administered by the Indian Friendship Centre, the Brandon Chamber of Commerce, and West Man (a regional industrial development organization).

The Chamber of Commerce and West Man have suggested that the Department give a grant to the project. Regional officers of the Department have expressed the view that before further increases in Departmental funds are allocated the Chamber of Commerce and West Man carry out a study to determine the feasibility of the project, and the overall financial and planning needs of the program. This is now being discussed by the group.

The Department is now paying rental of the building and the cost of the instructor.

Meanwhile, the Department's Regional officers will consider paying for the cost of the study.

Mr. Simpson

Number of Loans—November 28, 1968.

Since inception in January, 1939 a total of 2,299 loans were approved.

During the last complete fiscal year (1967-68) 153 loans were approved.

Since the beginning of the current fiscal year we have approved 107 loans.

The total amount available in the Revolving Fund is $2,400,000. The Department has requested Treasury Board authority for an increased of $400,000 during the current fiscal year.

The only monies available for loans at this time come from repayments on existing loans (approximately $25,000 per month.)

Mr. Simpson

Land Improvements on Peguis and Fisher River Reserves—November 28, 1968.

In 1968-69 budget provides $81,000 for major land improvements (clearing, breaking, fencing and drainage, on Peguis and Fisher River Reserves. Further capital support in the amount of $39,500 is available to equipment, building and the purchase of livestock. The total earmarked for these two Reserves during the current fiscal year is therefore $130,500. In addition more than $200,000 in loans have been made to farmers in this Agency.

This program is designed to continue at a slightly higher level ($160,000—$182,500) during each of the next five years.

From 1964 to 1967 we spent approximately $100,000 mainly on drainage.

In 1968-69 a total of 6,000 acres has been cleared and broken, as follows:

Fisher River — 1,300 acres
Peguis — 4,000 acres
Lake St. Martin — 600 acres
Lake Manitoba — 100 acres

A further 2,500 acres was included in the program but could not be completed because of wet weather. The clearing will be done this winter, after the ground has frozen and breaking will be completed in 1969.

In 1968, $40,000 has been spent on drainage affecting about 35,000 acres in this Agency.

The problems encountered in 1968 because of unusually wet weather will result in a need to make adjustments in programs but any short range adjustment made on this account will not affect the general conduct of the five-year program.

As a result of the FRED study of the Interlake area, a number of activities have been initiated. A complete explanation of FRED activities could, no doubt, be obtained from the Honourable Jean Marchand, Minister of

Forestry and Rural Development, whose Department administers that program.

A number of Indian people have received technical training, etc. as a result of Manpower programs arising out of the recommendations of the FRED study.

The ARDA agreement provides for Fisher River drainage which will be a main part of the area drainage works. This has not yet been carried out.

ARDA has not been involved in land clearing and breaking or other major land improvement on the reserves.

Mr. Simpson—November 28, 1968.

Road Program on Reserves

The main objective of the Department in respect of road construction programs has been to overcome the isolation of Indian reserves by the provision of improved roads on reserves and access roads to facilitate movement between Indian and non-Indian communities, attendance of children at reserve schools and their participation in off-reserve school programs, the commuting of Indian people to and from centres of employment and the development and marketing of reserve resources.

There is approximately 3,450 miles of roads on Indian reserves which may be classified as follows:

No. miles internal road—paved, 85
No. miles internal road—gravel, 2,287
No. miles internal road—dirt, 1,078
No. of miles of road—all types—constructed during 1967-68, 335
Target—No. of miles of road—all types—1968-69, 342
target—No. of miles of road—all types—1969-70, 350

The total budget for roads on Indian reserves for 1968-69 is $4,023,000. The forecast for 1969-70 is $4,034,000.

Mr. Borrie—November 29, 1968.

What facilities are provided to Indian Students attending provincial schools?

I *Students resident on Reserve or Crown Land*

Students in this category, approximately 21,768 usually live with parents or close relatives and attend provincial schools in adjacent communities.

Facilities provided include:

1. tuition; in lieu of taxes

2. transportation; for those who reside more than one mile away from school

3. text books; in areas where they are not furnished free by the school board

4. expendable supplies; e.g. scribblers, pencils, etc.

5. miscellaneous expenses; e.g. locker fees, activity fees, student council fees, etc.

6. clothing; if parents qualify for welfare assistance, clothing for their children is provided through that program

7. lunches; in some areas distance from home and economic circumstances necessitates noon lunches

8. counselling services; where they are not provided by the community

The policy of Indian Affairs is generally stated that the inclusion of Indian children in a provincial school system will not place an additional burden on rate payers of the district. Therefore those expenses that are normally covered by local taxes are paid for by Indian Affairs on behalf of the Indian student.

The only item in the above list that is paid for all students in this category is tuition. The remaining six items are paid for some and not for others depending on circumstances. All however are considered as charges against the Department's budget when authorized by regulations.

II *Students living in hostels and attending provincial schools*

Approximately 3,800 are in this group.

Facilities provided include:

1. tuition; in lieu of taxes

2. transportation; from his home to the hostel and return in the spring

3. daily transportation; where required

4. full maintenance; room, board, and clothing

5. text books; in areas where they are not furnished free by the school board

6. expendable supplies; e.g. scribblers, pencils, etc.

7. counselling services;

III *Students living in private boarding homes and attend provincial schools*

Approximately 2,800 students are in this group.

Facilities provided include:

1. tuition; in lieu of taxes

2. transportation; to the boarding home in the fall and return in the spring

3. daily transportation; if becessary
4. text books;
5. expendable supplies;
6. room and board; to extent required
7. clothing allowance; to extent required
8. money; for incidental expenses to extent required
9. counselling services;

SUBJECT

Assistance provided to Students Enrolled in Post School Programs

Assistance to students in this category is provided to cover the following items:

1. tuition;
2. transportation; to the training centre and return to extent required
3. text books;
4. counselling services;
5. tools, equipment, uniforms, etc.; to extent required
6. room and board;
7. daily transportation; where required
8. expendable materials;
9. incidental expenses;

These items are paid only when students are required to live away from home during training

To cover items 6, 7, 8 and 9 a per diem rate of $4.00 per day has been established. This money is paid directly to the student and where convenient an amount to cover text books may also be provided directly to student or parents.

In the case of married students, allowances are based on the manpower scale established for each province and, therefore vary from region to region. These rates are affected also by the number of dependents but a maximum would be approximately $82.00 per week for married trainees.

Mr. Simpson—November 29, 1968

How many are at university?

Teacher Training	27	
Nurses' Training	42	1967-1968
University	156	
Total	225	

Where are there provincial schools on reserves?

Provincial schools are operated on the following reserves or in Indian communities

British Columbia—none

Alberta—Fort McKay, Fox Lake, Jean D'Or, Boyer River, Driftpile, St. Paul's Blood Reserve Kindergarten only, Garden Creek, Wood Buffalo Park.

Saskatchewan—Patuanak, Beauval, Montreal Lake, Red Earth, Shoal Lake, Pelican Narrows, Southend (Reindeer), Black Lake, Fond du Lac, Lac la Ronge, Deschambault, Sturgeon Landing, Wollaston, Stanley Mission, Turnor Lake

*Manitoba—not available at this moment

Ontario—Roseneath, Bear Island, Moose Factory Island,

Quebec—Ecole de Romaine, Winneway, Hunter's Point, Rupert's House, Fort George

*Maritimes—not available at this moment

Manitoba—Anama Bay, Berens River, Wanipigow, Norway House, Barrows Junction, Brochet, Crane River, Gods Lake Narrows, Grand Rapids, Moose Lake, Pelican Rapids, South Indian Lake, Ebb and Flow, Fairford.

---

*Information requested from the field.

Mr. Borrie—November 29, 1968.

What facilities are provided to Indian students attending provincial schools?

I *Students resident on Reserve or Crown Land*

Students in this category, approximately 21,768 usually live with parents or close relatives and attend provincial schools in adjacent communities.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; for those who reside more than one mile away from school
3. text books; in areas where they are not furnished free by the school board
4. expendable supplies; e.g. scribblers, pencils, etc.
5. miscellaneous expenses; e.g. locker fees, activity fees, student council fees, etc.
6. clothing; if parents qualify for welfare assistance, clothing for their children is provided through that program
7. lunches; in some areas distance from home and economic circumstances necessitate noon lunches

8. counselling services; where they are not provided by the community

The policy of Indian Affairs is generally stated that the inclusion of Indian children in a provincial school system will not place an additional burden on rate payers of the district. Therefore those expenses that are normally covered by local taxes are paid for by Indian Affairs on behalf of the Indian student.

The only item in the above list that is paid for all students in this category is tuition. The remaining six items are paid for some and not for others depending on circumstances. All however are considered as charges against the Department's budget when authorized by regulations.

II *Students living in hostels and attending provincial schools*

Approximately 3,800 are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; from his home to the hostel and return in the spring
3. daily transportation; where required
4. full maintenance; room, board, and clothing
5. text books; in areas where they are not furnished free by the school board
6. expandable supplies; e.g. scribblers, pencils, etc.
7. counselling services;

III *Students living in private boarding homes and attend provincial schools*

Approximately 2,800 students are in this group.

Facilities provided include:

1. tuition; in lieu of taxes
2. transportation; to the boarding home in the fall and return in the spring
3. daily transportation; if necessary
4. text books;
5. expandable supplies;
6. room and board; to extent required
7. clothing allowance; to extent required
8. money; for incidental expenses to extent required
9. counselling services;

SUBJECT

Assistance Provided to Students Enrolled in Post School Programs

Assistance to students in this category is provided to cover the following items:

1. tuition;
2. transportation; to the training centre and return to extent required
3. text books;
4. counselling services;
5. tools, equipment, uniforms, etc.; to extent required
6. room and board;
7. daily transportation; where required
8. expendable materials;
9. incidental expenses;

The items 6 to 9 inclusive are paid only when students are required to live away from home during training.

To cover items 6, 7, 8, and 9 a per diem rate of $4.00 per day has been established. This money is paid directly to the student and where convenient an amount to cover text books may also be provided directly to student or parents.

In the case of married students, allowances are based on the manpower scale established for each province and, therefore vary from region to region. These rates are affected also by the number of dependents but a maximum would be approximately $82.00 per week for married trainees.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government
Publications

LIBRARY

HOUSE OF COMMONS
First Session—Twenty-eighth Parliament
1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, DECEMBER 5, 1968

Revised Main Estimates (1968-1969)

WITNESSES:

From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development). *From Panarctic Oils Limited:* Mr. J. M. Taylor, President; Mr. J. M. Godfrey, Vice-president.

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29403—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,
Borrie,
Buchanan,
Cullen,
Dinsdale,
Duquet,
Forget,
Howard (*Skeena*),
Laprise,
Lessard (*Lac Saint-Jean*),
Marchand (*Kamloops-Cariboo*),
[1]McKinley,
Nielsen,
O'Connell,
Orlikow,
Simpson,
Smerchanski,
Southam,
Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

[1] Replaced Mr. Gundlock on December 5, 1968.

ORDER OF REFERENCE

THURSDAY, December 5, 1968.

Ordered,—That the name of Mr. McKinley be substituted for that of Mr. Gundlock on the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

29403—1½

(Text)

MINUTES OF PROCEEDINGS

THURSDAY, December 5, 1968.
(9)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.43 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Dinsdale, Durante, Duquet, Gundlock, Howard (*Skeena*), Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Smerchanski, Southam, Watson, Yewchuk—(15).

In attendance: From the Department of Indian Affairs and Northern Development: Messrs. J. A. MacDonald, Deputy Minister; J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development). *From Panarctic Oils Limited:* The President—Mr. J. M. Taylor, Vice-President and General Manager, Canadian Pacific Oil and Gas Company, Calgary, Alberta; the Vice-President—Mr. J. M. Godfrey, Land Manager, Dome Petroleum Limited, Calgary, Alberta.

On motion of Mr. Borrie, seconded by Mr. Smerchanski, it was

Agreed,—That reasonable travelling and living expenses be paid to Messrs. J. M. Taylor and J. M. Godfrey, both appearing before the Committee on December 5, 1968, to Dr. A. Thompson, appearing on December 6, 1968 and to other outside witnesses who might be asked to give evidence before the Committee on December 6 and 10, 1968.

The Chairman called the following item listed in the Revised Main Estimates for 1968-69, relating to the Department of Indian Affairs and Northern Development:

20—Northern Program—Administration, Operation and Maintenance, etc. $40,466,300

The Chairman introduced the officials from the Department of Indian Affairs and Northern Development and from Panarctic Oils Limited.

In answer to questions raised in the course of previous meetings, Mr. MacDonald tabled the following documents, for distribution to members of the Committee:

Relocation—South Indian Lake, Manitoba. Election Problem—Garden River. "Indians and the Law".

Mr. MacDonald gave an outline of the Panarctic project. He referred to the following documents, copies of which had been distributed to members of the Committee:

Statement prepared by the Department of Indian Affairs and Northern Development.

Office Consolidation of the Canada Oil and Gas Land Regulations, Oil and Gas Land Orders, Public Lands Grants Act, Territorial Lands Act.

Monthly Oil and Gas Report—October 1968.

Statement re Panarctic Oils Limited to the House of Commons—by the Honourable Arthur Laing, Minister of Indian Affairs and Northern Development—Tuesday, December 12, 1967.

Mr. Taylor made a statement pertaining to Panarctic Oils Limited.

During the questioning which followed, Mr. MacDonald, Dr. Woodward, Mr. Taylor and Mr. Godfrey answered questions.

At 11.10 a.m., the Committee agreed to take a ten-minute recess.
On re-assembling, the questioning resumed.

It was *agreed* that an article published in the *Montreal Gazette* of December 3, 1968, headed *Canada's Arctic effort praised,* be made an appendix to the Minutes of Proceedings and Evidence of this day's meeting. (*See Appendix "J"*)

The Chairman thanked the witnesses for their appearance before the Committee.

At 12.45 p.m., the Committee adjourned to the call of the Chair.

Fernand Despatie,
Acting Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, December 5, 1968

• 0944

The Chairman: Gentlemen, the meeting is called to order.

In accordance with the expressed desire of the steering committee, approved by your Committee, we have invited to this meeting representatives of Panarctic Oils Limited and we have a procedural matter to clear up at the start. The President and the Vice President of Panarctic Oils Limited are entitled to reasonable travelling and living expenses. Could we have a motion to the effect that reasonable travelling and living expenses be paid to Mr. Taylor, Mr. Godfrey and Mr. Thompson, as well as any other witnesses who are to appear before the Standing Committee on Indian Affairs and Northern Development on December 5 and 6, and next Tuesday, December 10.

Mr. Borrie: I so move.

Motion agreed to.

The Chairman: I will now call Item 20.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Northern Program

20 Administration, Operation and Maintenance, including grants and contributions as detailed in the Estimates; authority to make recoverable advance in amounts not exceeding in the aggregate the amount of the share of the Government of the Northwest Territories of expenditures on Education and Vocational Training and for other services performed on behalf of the Government of the Northwest Territories and Yukon Territory; authority to make advances and payments to the Government of the Northwest Territories for activities or portions thereof transferred to the administration of that Government during the current fiscal year by the Government of Canada; authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the Governor in Council, to private consumers in remote locations when alternative local sources of supply are not available; authority to provide in respect of Indian and Eskimo commercial activities for the instruction and supervision of Indians and Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods, and authority to make payments to Indians and Eskimos under social assistance, welfare housing and child welfare programs, $40,466,300.

The witnesses this morning from the Department of Indian Affairs and Northern Development are, Mr. J. A. MacDonald, Deputy Minister; Mr. J.-B. Bergevin, Assistant Deputy Minister; and Dr. H. W. Woodward, Chief, Oil and Mineral Division, Development Branch.

• 0945

From Panarctic Oils Limited we are very pleased to have with us today, Mr. J. M. Taylor, President, Vice-President and General Manager of Canadian Pacific Oil and Gas Company, and Mr. J. M. Godfrey, Vice-President and Land Manager, Dome Petroleum Limited. These gentlemen have come all the way from Calgary to meet with us and we have arranged that this Committee will sit until 1 o'clock today so that we can have sufficient time to...

Mr. Gundlock: What do you mean, "we", Mr. Chairman?

Mr. Chairman: We will put you on first as far as the questioning is concerned, Mr. Gundlock.

I will first call as our witness, Mr. J. A. MacDonald, Deputy Minister, Department of Indian Affairs and Northern Development

who will give us a brief outline of the Panarctic concept and what they have accomplished to date.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Before I begin, with the permission of the Committee may I table some further replies to questions that members have asked on previous questions?

Some hon. Members: Agreed.

Mr. MacDonald: Mr. Chairman and members of the Committee, I appear this morning in a dual capacity as Deputy Minister of the Department which has responsibility for the programs and the involvement of the government in the Panarctic oil venture and as the Government Director on the Board of Directors of Panarctic Oils.

I would like to give a very brief outline of the Panarctic project. Committee members have been provided already with graphs and detailed material concerning the project. I believe this has been circulated to members. I can do no better at this point than paraphrase and quote from the statement made by the then Minister, the Honourable Arthur Laing, when he announced the formation of the company to the House in December, 1967.

By way of background we have pointed out that geologists have considered for many years that the Arctic Islands area represents probably the most attractive remaining unexplored oil basin in the world. I might mention that this statement and thesis was advanced prior to the Prudhoe Bay discovery. This now appears to be very much old hat but at that time it was less of an accepted doctrine. The conclusion of the geologists was based on the presence of extensive sedimentation, oil sands and other indications of hydrocarbons.

To develop this area, the Government of Canada has joined with 20 leading Canadian oil and mining companies to form an exploration company called Panarctic Oils Limited. Initial financing was for $20 million over a three-year period and will include a $9 million share by the government. In return for this 45 per cent participation in exploration costs, the people of Canada, through the government, will hold the equivalent 45 per cent share of the preferred and common shares to be issued. The government's share has been budgeted for within the existing five-year program for northern development.

Panarctic has acquired over 44 million acres of oil and gas permits in the islands, representing control over 63 per cent of the Arctic lands regarded as potentially oil and gas bearing. Several million dollars have already been invested by the original permit holders for surface geological and geophysical work, and for a limited deep drilling program. Without Panarctic, these interests would have been lost through their inability to finance further exploration.

Panarctic field operations began with a seismographic survey in the spring and initial deep drilling is scheduled for this winter. At least one well will go down in the 1968-69 winter season, and the three-year program will involve extensive geological and geophysical surveys with a plan for seventeen wells comprising nine deep tests, six medium depth wildcats, and two shallow tests.

• 0950

Although Panarctic's permits cover only petroleum and natural gas rights, exploration will be directed also towards sulphur, metallic minerals and other natural resources. As owner of the mineral rights in the Arctic Islands, the government will receive its normal fees and rentals on exploration rights, and royalties on production.

All shareholders have equal priority in providing additional capital when and if required. Should the program be extended and the exploration investment raised to $30 million or more, the government retains the option of extending its interest on a pro rata basis. In addition, special provisions in the agreements empower the government to control the transfer of shares and therefor the degree of Canadian ownership and control.

Because of its substantial investment, the government is represented on the Board of Directors by me and has the power to elect additional directors in proportion to its 45 per cent equity. At present there are 12 directors representing the private sector shareholders. Provision has been made for a fourteenth director to represent the holders of permits farmed out to Panarctic.

The management of Panarctic is the function of qualified technical and other experts engaged by the private sector companies. The corporation competes with the many non-government companies in its field and has no special status because of its governmental affiliation.

The discovery of oil in this area could conceivably change Canada's role ultimately from that of a net importer of oil to that of a net exporter with all the consequent benefits to our balance of payments position and our economic well being. These new oil reserves would represent an addition to the oil reserves of the Western world in a time of increasing demand. Marketing of any new oil found in Canada would take place within the framework of co-operation which has characterized our relationships with our major trading partners in this and other areas.

It is gratifying that this Canadian resource potential will be assessed by Canadians and that majority ownership will rest with Canadians. Without government participation the proposed company would have been 56 per cent owned by Canadians; with government participation it is now 76 per cent. Should the full $30 million program be completed, the non-resident interest in these lands in question would be less than 20 per cent.

It is a unique project. It brings together a large number of interests in the private sector on one hand and the government on the other capable of effecting under one organization the economies so necessary in the North. Only through the introduction of viable new industry can a real future be established for the native population of the Arctic and people attracted into the North to live and work.

On the basis of experience to date I can testify to the success of the arrangement, to the harmonious relationships that have prevailed between government and industry in carrying out this project and the contribution that private industry has made to it. That is all, Mr. Chairman.

The Chairman: Thank you, Mr. MacDonald. Do Committee members have any questions for Mr. MacDonald or would you like to hear from the other witnesses? Mr. Gundlock?

Mr. Gundlock: May I just ask one question? Can you name the companies involved?

Mr. MacDonald: Yes, I can name a large number of them. We have, of course, Canadian Pacific Oil and Gas Limited, Cominco Limited, Bankeno Mines Limited, Thor Exploration Company Limited, Campbell Red Lake Mines Limited, Sigma Mines (Quebec) Limited, Canadian Gridoil Limited, Conick Petroleums Limited, Canadian Nickel Company Limited, Noranda Mines Limited, Bow Valley Industries Limited, Bocadel Oil Corporation, Dome Petroleum Limited, Dome Mines Limited, Scenic Oils Limited, Anticline Petroleums Limited, Excel Petroleums Limited, Eagle Ridge Petroleum Limited, Eric Connelly, and Canadian Industrial Gas and Oil Limited.

Mr. Badanai: I have a supplementary question, Mr. Chairman.

I would like to ask if the Canadian Pacific Oil and Gas Limited is a subsidiary of the Canadian Pacific Railway?

Mr. Smerchanski: Mr. Chairman, could we get a copy of Mr. MacDonald's brochure as a matter of information? Would there be any objection to that? That is, the participants. I think it would be...

• 0955

The Chairman: All of these were circulated to the members.

Mr. Smerchanski: All right, Mr. Chairman.

The Chairman: Mr. Taylor, I have a question from Mr. Badanai.

Mr. J. M. Taylor (President, Vice President and General Manager, Canadian Pacific Oil and Gas Company, Calgary, Alberta): Mr. Chairman, Canadian Pacific Oil and Gas Limited is a subsidiary of Canadian Pacific Investments Company which, in turn, is a subsidiary of the Canadian Pacific Railway.

The Chairman: Mr. Cullen.

Mr. Cullen: The Canadian Nickel Company Limited, as I understand it, is a wholly-owned subsidiary of International Nickel Company.

Mr. Taylor: That is correct.

Mr. Cullen: Second, as I understand its terms of reference it is predominantly an exploration form of company rather than a development company, or are they in both fields now? Once the exploration is over is their work terminated or will they carry on with the development aspect as well?

Mr. Taylor: They undoubtedly will carry on with the development, not just exploration.

Mr. Cullen: As Canadian Nickel Company Limited?

Mr. Taylor: I cannot answer that question. It would appear that would be so, yes.

The Chairman: Mr. Smerchanski, do you have a question for Mr. MacDonald? If we are going to proceed with Mr. Taylor and Mr.

Godfrey I think we should ask them to make initial statements and then we will proceed to question them.

Mr. Smerchanski: I would like to ask Mr. MacDonald a question. I did not quite understand. How many wells are planned for 1968?

Mr. MacDonald: One; possibly two more.

Mr. Smerchanski: How many are planned for 1969?

Mr. MacDonald: This will be in 1969.

Mr. Smerchanski: I see. Has one actually been drilled yet?

Mr. MacDonald: No; we will be starting approximately March of next year.

Mr. Smerchanski: So you are planning to drill three wells in 1969. Is that correct?

Mr. MacDonald: Possibly three wells.

Mr. Smerchanski: Depending on the results of those, how many are you planning for 1970?

Mr. MacDonald: That program has not been determined yet. That will be determined as the progress of the seismic and other materials are assessed.

Mr. Smerchanski: You also mentioned, Mr. MacDonald, that we are a net importer of oil at the present time. In terms of barrels, what is this per annum?

Dr. H. W. Woodward (Chief, Oil and Mineral Division, Development Branch, Department of Indian Affairs and Northern Development): In dollars I know about $200 million is the net difference between what we export and what we import, so at about $3 a barrel that would be about 700,000 barrels.

Mr. Smerchanski: Mr. MacDonald, is this imported primarily into the eastern market?

Mr. MacDonald: Yes.

Mr. Smerchanski: Thank you.

The Chairman: Mr. Howard?

Mr. Howard (Skeena): Mr. Chairman, I wonder if I could ask Mr. MacDonald what is the position of the Canadian government with respect to the Board of Directors of the company?

Mr. MacDonald: With respect to...

Mr. Howard (Skeena): With respect to the Board of Directors of Panarctic Oils Limited.

Mr. MacDonald: The position of the Canadian government with respect to the Board of Directors is that the government has the right to appoint 45 per cent, its pro rata share of the directors. However, by stated intention at the time, which was to maintain its position as a reserve power, it indicated that it would appoint only one director at the beginning.

It was desirous at the time of securing the initiative and leadership of private industry in this field for the exploration work. At the moment there is one director appointed, namely me, but at any time the government has the right to appoint others.

Mr. Howard (Skeena): Up to 45 per cent of the total, I take it.

Mr. MacDonald: Yes, its pro-rata share.

Mr. Howard (Skeena): This would mean a displacement if the government takes up that option.

Mr. MacDonald: It is either a displacement or an enlargment, I forget which.

Mr. Howard (Skeena): Or an enlargement.

Mr. MacDonald: Yes, but it has complete authority to call a shareholders meeting and have this election.

• 1000

The Chairman: Perhaps we can call on Mr. Taylor to give us a bit of his background as far as Panarctic Oils Limited is concerned. I think the Committee would be interested, Mr. Taylor, in learning just how the concept evolved as far as you and your Company are concerned and your view of the concept your forecast of Panarctic's future. We will let you make a statement and then we will question you.

Mr. Taylor: Mr. Chairman, I think you are all familiar with the history of Panarctic, how it arose originally under the initiation of Dr. Sproule who originated the idea of putting together many of the permits which were held by individuals or individual companies. At that time there was very little chance that those individual companies would have developed those permits. However, as time went on he had some difficulty in raising the money to start this program, but with the help of the government he did get it very close to being financed.

Our companies, the two companies involved, Cominco Limited and Canadian Pacific Oil and Gas Limited, were two of the original subscribers to his idea, and when he did run into difficulties in financing this thing we stepped in and underwrote the other financing, that is, the financing other than the government. This enabled the thing to get off the ground.

We finally did put the thing together and Panarctic Oils Limited was formed, but I think it is important to know that without the government's help from the beginning it is doubtful if anything like Panarctic could have got off the ground in anything like the time that it has crystallized now. So certainly much credit is due to the government's foresight on this thing.

As far as our companies are concerned, I cannot speak for them all, but the ones that did participate in it obviously had the same idea that we shared the government's optimism on the potential of the area and were willing to put our money into this thing and develop it because with the potential it is rather an exciting prospect. Certainly, geologically there is no doubt that it has much potential. As to whether it has any hydrocarbons in the formations is a matter we have to find out. But it is rather an exciting prospect and the development of the area by Canadian companies and money is, we feel, one of the important things that we have done.

I think the alternative would have been really nothing. It would have lain there for many years and nothing would have happened. The Company has been in operation now for a year, and despite the difficulties, we have had a successful program in our first year of operation. We have shot over 600 miles of seismic, and the results of that program are still being evaluated. They do appear to be interesting enough to justify our original optimism.

Our present plans are, as has already been said, to move the first drilling rig up in March and we hope to drill the first well shortly thereafter. We are laying plans for starting two other wells in 1969.

The Chairman: Mr. Cullen.

Mr. Cullen: Mr. Taylor, I do not know whether this is premature but I am concerned about the kind of structure that you have. In Sarnia we have what they call a pinnacle reef, and this is a large area of exploration that you are involved in. Is it thought to be the same kind of structure there, or is it what might be called a spread-out or a wider-area type reef that you would be working in? Has there been any test done in that regard?

• 1005

Mr. Taylor: No, the program so far—we would be looking initially for large structures. As to what area they cover is something we do not know yet. We will be looking for the big ones rather than the small ones to start off with, because we need volume.

Mr. Cullen: The comment made in the address here was that you are looking for oil export, but I understand that gas figures very largely in this. As I understand it, where there is oil, there usually is gas or a gas basin. Would this be part of your exploration or development program? Would you also be looking for gas or do you look for the structure that contains the oil and hope that there will be gas there?

Mr. Taylor: We look for the structure. We do not know what is in the structure. We will take whatever is in it, except water. We are not concerned whether it is oil or gas.

Mr. Cullen: That is basically what I wanted. Thank you, Mr. Chairman.

The Chairman: Mr. Smerchanski.

Mr. Smerchanski: Mr. Taylor, how many wells have been drilled in the Arctic to date, if any?

Mr. Taylor: There are three.

Mr. Smerchanski: Are they within the area that Panarctic holds?

Mr. Taylor: Yes, they are within the area.

Mr. Smerchanski: Were they rather deep wells or were they just exploratory shallow wells?

Mr. Taylor: They were comparatively shallow wells.

Mr. Smerchanski: Thank you.

The Chairman: Mr. Gundlock.

Mr. Gundlock: May I ask how the recent discovery—you mentioned volume—how the recent discovery in Alaska may affect the plans?

Mr. Taylor: The recent discovery will not affect us at all.

Mr. Gundlock: None whatsoever?

Mr. Taylor: Not our exploration program, no.

Mr. Gundlock: Export from Canada, for instance?

Mr. Taylor: We have not got to the marketing of this crude yet, so it will not affect the program that we have under way now. It may affect the marketing when we do find oil.

Mr. Gundlock: Will it affect your planning?

Mr. Taylor: It will not affect our planning, no.

Mr. MacDonald: I might supplement that by saying it also depends where the oil is found in the Arctic Islands, what successes we have with respect to the various problems of transportation. If we are successful in some of the things like Alexbow or some of the very large tankers, which work on the concept of sheer weight and volume of 100,000 or 200,000 the tank, we will try it. Some of our oil may be closer to Europe than anywhere.

Mr. Dinsdale: Mr. Chairman, is Panarctic going to concentrate exclusively on the Arctic Islands?

The Chairman: Mr. Taylor, can you answer that?

Mr. Taylor: In our plans so far, that is so, yes.

Mr. Dinsdale: In the high Arctic, I suppose Winter Harbour and the area of Melville Island is one of the most promising areas and I presume you will be concentrating there in your initial efforts?

Mr. Taylor: The initial program was concentrated on that Island, yes.

Mr. Dinsdale: Will you continue in that general area?

Mr. Taylor: Yes, but we are spreading out beyond that next year.

Mr. Dinsdale: Would the results of the exploratory effort of—I think it was Dome in 1961—and the independents give you good reason to continue to explore in this area on the basis of the evidence that has already been revealed?

Mr. Taylor: Yes.

Mr. MacDonald: May I offer a supplement to this. I think the difference, Mr. Dinsdale, between what is happening now and what happened earlier was that the Panarctic program was based upon very extensive seismic work prior to the location of wells. This is a very vast area. Some of the earlier efforts, because of the richness of the evidence, hoped that some of the seismic work which is very expensive could be avoided. But our conclusion is that we should do it the way we are doing it now where of the $20 million program something of the order of $6 or $7 million is spent on seismic work alone before we locate wells.

Mr. Dinsdale: The point I am interested in is there was a lot of skepticism when this private group stuck its neck away out and began to emphasize the tremendous potential of the North, and I think it was a major risk. It was also a major pioneering effort when they were willing to go into the high Arctic to prove to the skeptics that there was actually rich oil potential there. Are you familiar enough with the work of 1961 to indicate that that expenditure was justified, and that risk was justified disregarding all the skepticism at the time?

• 1010

Mr. J. M. Godfrey (Vice President and Land Manager, Dome Petroleum Limited, Calgary, Alberta): Do you mind if I answer that?

Mr. Dinsdale: You are representing Dome Petroleum Limited are you?

Mr. Godfrey: Yes.

Mr. MacDonald: Dome Petroleum Limited are the operators for Panarctic and Mr. Godfrey was involved, so he can answer this.

Mr. Dinsdale: Well, they were the great pioneers of the North. I would like to hear some of the background in this regard.

Mr. Godfrey: Dome went into the Arctic, Mr. Gallagher, the President of Dome Petroleum Limited, was originally interested in the Arctic away back in the mid and late 50's and in 1960-61 when they decided to drill the Winter Harbour well. Dome located it on the south end of Melville Island and not so much because it was a red-hot geological feature but because they could, in fact, get a ship in there and they could get a rig there. So in addition to finding out the geology of that part of Melville Island, the prime purpose was to demonstrate the feasibility of

operating a drilling rig up there all through the Arctic winter, and I think that was demonstrated. As a result of that, Panarctic intends to drill 12 months in the year.

Mr. Dinsdale: You were satisfied with the results of your Winter Harbour effort?

Mr. Godfrey: No, we were not satisfied. It was a dry haul.

Mr. Dinsdale: But as an initial, as they used to say, so many hundreds of dry wells are drilled before you come in with the big Leduc, and so forth.

Mr. Godfrey: That is right, and I think we should caution the members of this Committee also that drilling oil wells is not like shooting fish in a barrel. We could drill many dry holes before we find the one we are looking for.

Mr. Dinsdale: You did prove the geology, though, by actually drilling in 1961?

Mr. Godfrey: The wells that have been drilled to date have to some extent helped to set up the perspectiveness of the area.

Mr. Dinsdale: Are you going to be using the equipment that was taken in at that time?

Mr. Godfrey: No. We cannot transport the rig that was left at Winter Harbour on the south end of Melville. It cannot be broken down and flown, and there is no way we can drag it around, so we have a new rig that can be broken down and transported by a Hercules airplane.

Mr. Dinsdale: So you are going to be completely airportable now.

Mr. Godfrey: Right.

Mr. Dinsdale: Which is much better than the Thora Dam.

Mr. Godfrey: That is right.

Mr. Dinsdale: An improvement in this regard. You are familiar with the Quirin Report and its projections?

Mr. Godfrey: I have not seen it for many years, but I did read it when it was originally written, yes.

Mr. Dinsdale: Well, I presume those projections are still valid as to the future potential and world demand?

Mr. Godfrey: I would have to ask Dr. Woodward on that.

Dr. Woodward: That report, of course, was put together in 1961-62 and was based on a forecast, if my recollection is clear, an attempted forecast to 1970. We have looked at it from time to time. The forecast is probably conservative really, and even though these situations do change, the long-term forecast, of course, is for requirement for vastly increased reserves in North America.

The fact that we are looking for possible export markets for Arctic oil, most probably in the Eastern seaport areas of Canada and the United States and in Europe, indicates indeed, particularly from the security point of view, that there is a very strong desire to have Arctic oil *vis-à-vis*, we will say, Middle East. This is a competition, of course, which has to be faced there—the offshore oil.

• 1015

Mr. Dinsdale: Have the discoveries in Alaska changed the calculations to any considerable extent?

Mr. Woodward: I think you are referring particularly to Prudhoe Bay. There is still, of course, an element of scepticism in respect to the $5 million to $10 million which is projected. It is probably rational but we will know more about this in the next two years when there will be infill drilling and extra wildcat drilling. I think it has really done two things. For Panarctic it has increased the optimism in as much as the prominent reservoir at Prudhoe Bay is in triassic sands of a nature almost identical to the tar sands on northwest Melville Island, and as a consequence there is a probability of its having similar features to those two, one of which is suspected to have 5 to 10 billion barrels and the other one, which is an exhumed reservoir, has now lost all its oil but has all the vestiges of having had very large amounts at one time. There is a possibility of similar accumulations being available particularly all along the southern margin of the Sverdrup basin, a large part of the acreage of which is held by Panarctic. So, this has increased the optimism in that respect.

The other thing, of course, is that we know the Atlantic-Richfield, and Humble companies have engaged several task forces to look into means of transporting oil from the north slopes of Alaska by pipe line or particularly by ship. Mr. MacDonald has alluded, to the fact that there probably will be an attempt made this summer by that task force to test the feasibility of a large tanker with extra

horsepower, and so on, to cope with the northwest passage. So, there is going to be a great technological spin-off if you will, from the advance work that is being done because of the Prudhoe Bay discovery which should become available to Panarctic, and which we hope will lag that development by two or three years. Even though there is going to be extra competition for markets because of the Prudhoe Bay discovery there, will be many, many benefits. We have already seen part of those benefits in that we have dispensed with about 70 million acres of land in the Arctic region of Canada since Prudhoe Bay, and this was just based on the increased optimism and competitive interest of companies, and this all accrues to the benefit of Panarctic. This makes the possibility of financing beyond the $20 million stage that much more certain. I am sure the boards of directors of each of these companies, now have far more enthusiasm about this project than possibly they had initially. I suspect the Government of Canada possibly has as well.

Mr. Dinsdale: I suppose that all the partners in Panarctic are largely Canadian independents, with the exception of Bocadel Oil (Barber Oil). It there any particular reason for this lack of interest on the part of the Americans, or is it deliberate policy to make it essentially a Canadian project?

• 1020

M. MacDonald: I wonder if I might comment on that. I think one gets into the realm of speculation here. Mr. Taylor referred to the original efforts of Dr. Sproule to organize this consortium, and when he was doing that he was in touch with the majors, as we refer to them, and one can only speculate as to their policies in this regard. From our point of view when we looked at it we saw that there was a risk that Sproule's efforts might fail, that these option holders would have to bail out because they had exploration permits with work requirements beyond their capacity to finance. It is conceivable that the majors did not anticipate that Sproule's concept would succeed and that it was possible that these permit rights would be available on the market and could be purchased by the majors, in which event I believe they could then have approached the question of exploration and development within the context of their total, world-wide and very legitimate concerns, as they have oil here or there. However, from the Canadian government's point of view such timing did not necessarily coincide with our interest for developing the North and providing a dynamic with respect to employment of native peoples and certain other considerations which do not enter into the majors' thinking. If that be the case, or in any case, the point was that Sproule could not attract their interest at that time and when we entered into the picture it was in the company of CPOG, Cominco, Dome and the independent oil companies, which are largely Canadian and from the Canadian government point of view again this was quite satisfactory because one of the corollary benefits we were trying to secure here was Canadian ownership and control, so everybody was quite happy about the whole thing.

Mr. Dinsdale: In view of the fact that the American oil import-export policy is closely tied to what they regard as their security provisions, would you anticipate any export or market problem without elaborate or extensive American participation?

Mr. MacDonald: We have not as yet had to grapple with the market problem which Mr. Taylor has spoken of with respect to Panarctic or, as far as we are concerned, in the government. However, it must be kept in mind that the Prudhoe Bay discovery can be looked upon as having done two things in almost diametric opposition to each other. It might, on the face of it, increase the competition, its availability of supplies, but on the other hand it tends to establish the North American continent as a very real source of supply—quite independent of anything else in the world—in the quantities that are required. Thus, in terms of strategic, defence or security planning, the North American continent or the continental approach in that sense has a very real meaning. This could in fact benefit the Canadian Arctic islands because they are within the same range of geography and means of transportation. That would be one element.

With respect to marketing in the rest of the world, I have indicated that this again depends on where the oil is found, whether it is near water, what means of transportation is in fact going to be required, whether it is a surface tanker, and there has been some suggestion of subsurface pipe lines to open water, and so on. When the government made its statement in this regard it stated that the marketing would take place within the cooperative arrangements which have characterized our relationships with our trading

partners—and this involves the United States—and we are reasonably confident that in the happy event that we have lots and lots of oil to market that we will be able to work out co-operative arrangements.

Mr. Dinsdale: Other than speculative, has there been any further study of transportation problems in the North? Are there any major projects or experiments underway?

Mr. MacDonald: Of course, in various places we have had the Travacon study, which we recently published, which primarily dealt with transportation in the Yukon. Through Panarctic we have supported Panarctic further in the Alexbow experiment. Panarctic purchased a 51 per cent interest in the Alexbow device—the operator could expand upon this—and utilized it last year by putting barges up into Melville Island through the ice, and in co-operation with other agencies in the government we hope it will be conducting further experiments on comparable vessels which will produce a rather more scientific evaluation of the increment of efficiency that is represented here. We have also been in touch with some of the other works that have been going on in the rest of the world with respect to the concept of subsurface tankers. The French company, Petropar, which has operated extensively in the Arctic islands, has an interest in this area, as do the Japanese shipyards, although I think there is probably less cause for optimism in respect to this form of transportation now than might be the case in a year or two. So, there has been a variety of efforts of that kind, Mr. Dinsdale.

● 1025

Mr. Dinsdale: Has contact been maintained with the Soviet in reference to exchange of ideas on technology, transportation—

Mr. MacDonald: Yes, a number of exchanges have been going on for several years now between our scientists, industrialists and government people.

Mr. Dinsdale: Do we have anything to learn from the Russians?

Mr. MacDonald: That is a very broad question! In which way?

Mr. Dinsdale: In solving transportation problems of the North.

Mr. Woodward: I wonder if I may interject a comment. The U.S. coast guard, with whom we have been in consultation, initiated studies the beginning of last spring into the feasibility of opening up a transportation route along the north slopes of Alaska via Point Barrow and the Bering Sea. The other matter I have indicated is that since Prudhoe Bay Atlantic-Richfield, the Humble group and British Petroleum have joined together as equal participants in task force studies to look into the pipe line aspects possibly down through the MacKenzie District or more probably across Alaska and by tanker down the west coast, but the one of primary interest to us and the one I have mentioned before is this task force study to look into the feasibility of marine transport via the northwest passage. In addition to that—and Mr. MacDonald is not yet aware of this—we have begun to evaluate the possibility of having a pre-feasibility study prepared to look at all the means of transport in the Arctic to find out which one we should concentrate our efforts on as far as examining its feasibility is concerned. This is now in the formative stage and hopefully it will be underway within the next month.

Mr. MacDonald: In these matters, of course, we are also co-operating with the Department of Transport and the coast guard, which have icebreaking and other responsibilities in the spring. I mentioned earlier that further tests of the Alexbow involved co-operation with the Department of Transport, and the former Department of Industry is also co-operating.

With respect to whether we could learn anything from Russia, I think they demonstrated that a great deal was possible in keeping our Arctic waters open by the use of icebreakers. As I think you know very well, Mr. Dinsdale, their Arctic conditions are different from ours. They have greater river systems. They also have a great deal more in the way of transportation networks than we have, but these are really a benefit of nature. I think today the trend is away from the use of the icebreaker as a device, and an attempt is being made to use a vessel which will do its own icebreaking and the icebreaker would be required solely for emergency or particularly difficult situations. That is the direction of the effort now.

Mr. Godfrey: I would like to add one small point on the matter of the effect that Prudhoe might have on our marketing plans. I think we should realize that the annual growth rate in the U.S. alone is between 400,000 and 500,-

000 barrels a day. That is the projected growth rate for use of oil.

Mr. Dinsdale: What was that figure again, Mr. Godfrey?

Mr. Godfrey: Between 400,000 and 500,000 barrels a day.

Mr. Smerchanski: Between 400,000 and 500,000 barrels a day?

Mr. Godfrey: Right.

The Chairman: Annual growth rate.

Mr. Godfrey: Right.

The Chairman: For North America?

Mr. Godfrey: For the U.S. crude oil market. By the time you get Prudhoe to the United States, which will be a few years from now, the market increase will probably absorb it.

Mr. Smerchanski: In view of that, what percentage is this in terms of the total crude that is used in the United States? Would it be an annual increase of 10 per cent, 20 per cent or 8 per cent?

Mr. Godfrey: I do not know if I have those figures. I brought a few things with me but I do not know whether I have the daily use...

Mr. Smerchanski: What would your calculated guess on that be?

Mr. Godfrey: About 12 million a day is the current utilization in the United States.

• 1030

Mr. Dinsdale: On transportation, are you looking at the hovercraft as a possibility?

Mr. MacDonald: We have looked at it. We have supported trials for the first generation of hovercraft in the North and we are satisfied that it has attributes. They were not such, however, as to be of significance, we feel, in terms of resource development, we think that the second generation of hovercraft, which I believe is now plying the channel—it is a heavier job with a greater load-carrying capacity—would be of greater interest in the North. They have some bugs in it now that I believe they are working on, and if these are cured it might be something which we would be supporting again. However, the general consensus appears to be that the hovercraft has so far demonstrated greater capability over water than over the ice and other conditions that we have to encounter in the North.

Mr. Dinsdale: How about brainstorms like the Big Wheel and damming the Bering Strait? Has there been any talk about that?

Mr. MacDonald: We do not have the funds this year, I know that.

Mr. Dinsdale: It was a Soviet that was talking about damming the Bering Strait.

Mr. MacDonald: We saw another Soviet chap that had been taken to task for it. I rather agreed with the second one. However, we do try to keep an eye out for even the way-out ideas because one new knows when they are coming. It was this attitude that led us, for example, to support Scott Alexander's Alexbow device, even though it may not work. The possibilities were so great and the prizes so enormous that it was worth risking that kind of money on it. If we could get open water all year round in the North, or a large part of the year, we would revolutionize the whole economy of the North and the whole economy of Canada. As I mentioned, the Arctic islands are closer to Europe than the Middle East.

Mr. Dinsdale: Are you still skeptical about the Alexbow, or has it been proven in recent trials?

Mr. MacDonald: No, we are not skeptical. We think that as it has come along it has shown satisfactory performance at every stage, but we must have now a somewhat more rigorous comparative analysis. For example, there is *a priori* a lot of support for the concept that a 100,000 ton tanker, with extra power and properly reinforced, probably could be its own icebreaker in one year old ice. However, the Alexbow may give it an increased efficiency and the question will be, by what percentage in terms of economic return? These are the comparative tests that I think we have to pursue and we hope to pursue these next year.

Mr. Dinsdale: I noticed a speech by the outgoing man responsible for oil policy in the States. His name is Hon. J. Cordell Moore. It was almost a swan song. He expected that with the change of administration things would be changing. He talked in terms of a common market oil policy for North America. Is this considered seriously or is it merely speculation on his part? He emphasized it because of the security problems involved in

oil production—instability in the Middle East and in other parts of the world.

Mr. MacDonald: I think you can say, Mr. Dinsdale, as you are well aware from the national oil policy, that there is in effect a form of common market or continental approach to oil now in the sense that Canada is exempted from certain restrictions on the importation of oil into the United States, which helps to dispose of all of our Alberta oil. We think the practice that has been referred to by Mr. Godfrey and others, namely the great growth in demand in the United States, the factors I stressed in terms of Prudhoe Bay and the Panarctic combined giving greater credibility, you may say, to the independence of the North American area for economic oil supplies, probably pushes the trend even further in that direction.

Mr. Dinsdale: So that there is a strong possibility of a North American common market oil policy in fact as well as in promise. The trend seems to be in that direction.

Is the industry happy with the present regulations?

• 1035

Mr. Taylor: I do not know whether I can speak for the whole industry, but certainly there is a segment of the industry that would think that we have more oil than we are marketing. Until we reach the position where we can sell all our oil we will never be happy.

Mr. Dinsdale: You are talking now about the national oil policy.

Mr. Taylor: I suppose that is involved in it, yes.

Mr. Dinsdale: What I had in mind was the Canada Oil and Gas Land Regulations, as they apply particularly in the Northwest Territories.

Mr. Taylor: I am afraid I did not follow your question.

Mr. Dinsdale: Do the regulations fulfill the needs of Panarctic as it is functioning at the moment, or do you see any requirements?

The Chairman: Do you approve of the Canada Oil and Gas Land Regulations in so far as they are applicable in the Northwest Territories?

Mr. Taylor: Talking purely from Panarctic and not from the industry's point of view, we have no criticism of the regulations in the north country. In fact, Panarctic itself is proof that the regulations were such they encouraged us to go up and develop the North. Does that answer your question?

Mr. Dinsdale: In other words, Canadian measures have encouraged you in venturing forth into the North.

Mr. Taylor: Yes.

Mr. Dinsdale: I do not have any further questions. I would just like to congratulate the Panarctic people who have shown the way and have pushed governments into activity in this regard.

In terms of employment of men in the exploration and work of the North, do you think that there needs to be any change in policy. If you were to find oil and permanent installations were to be established in the North, do you think incentives such as they have in the Soviet in terms of income tax, wage incentives and so forth, would be required to get people to live and work there? Have you considered those possibilities at all?

Mr. Taylor: No, I have not considered those possibilities. I rather doubt that any further incentives are needed. The government is our partner up there and I am sure that the population up there will be looked after and that the labour force will be provided by the people up there.

Mr. Dinsdale: Would you consider that most of your manpower would come from the people in the high Arctic?

Mr. Taylor: Yes, I would think so—if for no other reason than it just makes common sense to use these people.

Mr. Dinsdale: Have you any plans to prepare the Eskimos for this sort of participation?

Mr. Godfrey: At the present time there are six Eskimos enrolled at a drilling school in Edmonton. They are taking a course which should enable them to start working on the first rig that goes up there in March. The drilling contractor has agreed to employ them so long as they qualify in the school. As far as the geophysical crew is concerned, they also are working with Dr. Woodward. They intend to get some Eskimos and to start working with them in January in the Northwest Territories, or even northern Alberta, so that they will be ready to go up into the Arctic in March when shooting starts.

In addition to that, with every contract that we let for work up there we tell the party involved that we expect him, where possible, to supply native qualified help for this particular project. We do not know how this will turn out but we are certainly trying it anyway.

• 1040

Mr. Smerchanski: Mr. Chairman, is this not the policy that the department had and that Mr. Francis explained to us the other day—that there are local Eskimos from that area being trained in connection with oil drilling and so forth.

The Chairman: Yes, Mr. Francis did mention this the other day.

Mr. Smerchanski: Mr. Godfrey, I would imagine you are working with Manpower on the very basis that Mr. Francis mentioned the other day.

Mr. Godfrey: Yes. It should be borne in mind though that there are no Eskimos other than a few at Resolute who are innative to the Arctic islands.

Mr. Smerchanski: Then you would have to bring them in from farther south?

Mr. Godfrey: That is right, bring them in from the south.

The Chairman: Mr. O'Connell has indicated that he has some questions. Mr. Dinsdale, are you finished?

Mr. Dinsdale: Yes, I am finished.

Mr. O'Connell: Mr. Chairman, I would like to begin by expressing great satisfaction over the fact that this kind of company has been put together. It has been a joint venture of government and companies exploring together in a very high risk area. I suppose none of us are under any illusion that it is a joint venture because of the very high risks involved, but I am glad to hear the gentlemen say that the risks are balanced by a very high potential. I presume that if oil is found at all it is likely to be in very large quantities. I do begin by expressing a good deal of satisfaction. Also, I would hope that if the risk factors decrease because of discoveries that government interest would not decrease also in the sense of any kind of withdrawal from the whole plan.

Could we get some idea of relative costs of drilling a deep well in the Arctic islands and one in the subarctic.

Mr. Godfrey: That is pretty difficult because in the subarctic it depends upon where you drill them. Generally speaking, we would estimate the first deep test on Melville Island will cost most probably $1.5 million.

Mr. O'Connell: What would a well around Fort Smith, for example, cost?

Dr. Woodward: I might indicate that the wells at Pointed Mountain, which are only 25 miles north of British Columbia border are running at $1.5 million and they are being drilled from 12,000 to 14,000 feet. So with the technology they have now they probably are pretty much parallel in costs. The whole idea of the Panarctic project of course is to bring this mobilization cost, if you will, which is of course common to each well drilled, into one continuous program and then most of that cost can be averaged out over a number of wells. The idea of Panarctic is to have a more or less continuous drilling program. So once you bring the rig up there it is essentially employed for three years. With the previous three wells, each one was burdened with its own mobilization costs in respect of three separate rigs—one for each of those wells. This is a type of economy. I think, with that sort of economy in the Panarctic project, you will find that the costs are just about equated with those in the southern territories.

Mr. O'Connell: Thank you. Could you clarify what you might call the surrender requirement. I have been reading the memorandum that came out just yesterday from your department, Mr. MacDonald, and there is this concept of surrender mentioned in it. Could you clarify it by comparing it with, say, the surrender requirements in Alberta or some other section. Is there a surrender requirement, upon discovery, back to the Crown?

Dr. Woodward: Fundamentally I think the prominent surrender involved in the regulations is in respect to the permits. The permit is essentially a licence to explore, granting to the permittee exclusive rights to take leases either before or after discovery.

• 1045

The permit term is broken up into what they call original term and then there are renewal terms, and these are automatic. In other words, if renewing it is simply a matter of putting down the guarantee deposit requirement that he will do a certain amount

of exploratory work. Upon fulfilling that exploratory work and showing proof thereof, the deposit is returned to him. If at the end of any one of these periods or terms, which are broken up just for convenience sake, there are other elements of work requiring specific deposits, they escalate: initially it is five cents in the first period, 15 cents, 20 cents and finally up to 50 cents per acre, and in total the permits have a life varying from nine years in the southern most portion of the Territories increasing as you go north to finally, in the Arctic islands, 12 years. This is giving cognizance to the difficulties of conducting work farther north and the costs inherent therein. The moneys which have to be spent on a permit during its life in the southern Territories is $2.90 per acre over the life of the permit and this diminishes as you go farther north. In the Arctic islands it is $2.65. This is also giving cognizance to the difficulties of access. If at the end of any one of these periods, or terms, within the permit life a permittee decides, because of having partially explored and found nothing promising, or because of budgetary conditions and so on, indeed that it no longer wishes to maintain its permit in good standing it simply surrenders its obligation, it surrenders its permit and its permit as a consequence returns to the Crown as a Crown reserve and it is then available to the industry only through public sale. Prior to this all the lands, all crown lands in the Yukon and Northwest Territories including the Arctic islands and off shore are available simply for filing on. In other words, for those lands which have been previously held, a company can simply come to us, pay a $250 administrative fee for acquisition of permit, put down its deposit to guarantee that work will be done in respect to the requirements of the first period of that permit, and essentially it has an exclusive right of earning interest in the minerals which it may discover there. So, that is one surrender and a prominent one.

The other one occurs when a company goes to lease. If upon discovering oil it then wishes to actually gain mineral rights, the permit being purely a licence to explore, it takes out a lease. The lease term, of course, is for 21 years and this is similar to those that were available previously in Alberta, although Alberta's lease term now is ten, having been adjusted about four or five years ago. Ours is still 21 years and there is automatic renewal, if production is still being taken, for a further 21 years. The permittee is allowed, however, only to select 50 per cent of the permit area in the lease. The balance of the permit area is surrendered to the Crown but in the regulations for the Yukon and Northwest Territories we have a concept which is unique and is not available in the province, and that is that 50 per cent of the acreage within the permit area which is surrendered to the Crown, that the permittee, or now the lessee if you will, can pick up the balance of that acreage in lease form at only a special royalty rate which is essentially double or more than the royalty rate which he agrees to pay in respect to the first selection. The idea of this unique feature is to ensure that the land is held as much as possible by one individual with the idea that this effects considerable economies in the development of oil pools. As soon as you have competitive interests, indeed there is overdevelopment, overdrillings and so on. So with the idea of ultimately providing for the most efficient means of oil production, which we feel is going to be necessary here to overcome the burden of transportation costs, access and high costs of experts and so on, these features are built in.

• 1050

I might indicate here that this rather unique feature to the Canada Oil and Gas Land Regulations has been adopted by the Government of Australia in its new common code which it publicized here only a year ago, which gives some indication indeed that this feature, which came essentially from Dave Quirin's type of study and recommendations, is a very rational and good one.

Indeed what we are doing here, of course, or have been doing for many years, is trying to provide sufficient incentives by means of, depending on how you look at it,—more liberal policies or less stringent policies than the provinces to enable the companies to enter the north and to explore and discover the resources. In the same way Australia is faced with the same thing. There is only so much investment money in the resource industry and it requires a little bit of the sales pitch, if you will, to get people to explore your domain rather than someone else's.

Mr. O'Connell: Thank you.

The Chairman: Mr. O'Connell, I wonder if you would mind. I have a supplementary on that specific point.

Mr. O'Connell: So have I, but go ahead.

The Chairman: This permit, sir, when you mention that 50 per cent of a permit area is held back by the Crown, does this mean 50 per cent of the general area of the permits held by a company, or is each permit divided into units of so many acres and it is within each particular unit that the 50 per cent is held back?

Dr. Woodward: The permit essentially reflects on a grid area and the grid area is ten minutes of latitude by 15 minutes of longitude south of latitude 70. North of latitude 70 it is ten minutes of latitude and 30 minutes of longitude.

The Chairman: How many acres does that represent?

Dr. Woodward: Well, of course this varies with the convergence of the longitude but essentially you can assume it is an average of 50,000 acres. It varies anywhere from about 37,000 to almost 70,000 depending on its position, but on the average it is 50,000 acres.

The lease selection is stipulated: they can select 50 per cent of that area. No selection can be less than a section, and these grid areas are divided into 80 or 100 70 square mile sections. That is essentially what it amounts to. So a lease can be no less than a section and may be measured four by four sections, or five by three sections. It is essentially a checkerboard selection or a corridor selection; in other words, it is rectangular, quadrangular, block, separated by mile division or by section division. In other words, they can manipulate, if you will, or make their selection to the best of their advantage, but there is the restriction on the size of the individual lease, both maximum and minimum, and the fact that it has to be checkerboard or separated by corridor acreage. So, this balance that is surrendered to the Crown has almost the equivalent value to the primary leases election.

The Chairman: This I do not quite follow, because from what I understood you to say initially, once these blocks form part of a person's lease the company involved can choose whichever ones are most advantageous to him out of a number of blocks which are subject to his lease. Supposing there are four, five, six blocks subject to my lease and I discover that in a portion of that area there is good potential and I then can eliminate the other three blocks quite easily. My question is this. Does a company have the ability here to eliminate all the area which has no potential and keep all of the area which has the potential?

Dr. Woodward: No, this is the reason why there is a limitation on lease size. In other words, in consideration of the normal size and configuration of an oil pool in its normal dimensions, the largest single lease that a company can take from a permit measures essentially four miles by four miles or three miles or by five miles. The minimum size is a mile by a mile, and I am using round figures here because it depends, as I indicated, on the size. At the same time all he can take is a checkerboard.

• 1055

Mr. MacDonald: Would you explain the term "checkerboard"? The areas cannot be contiguous unless they are corridored?

Dr. Woodward: That is right.

Mr. MacDonald: And in consequence, he therefore cannot take an entire area of this kind. He can only select a random pattern.

The Chairman: From that then, under your rules does this firm have the first chance on the other?

Dr. Woodward: For 60 days, he surrenders the balance and...

The Chairman: At those additional royalty rates.

Dr. Woodward: That is right.

The Chairman: But he does have the first option on this?

Dr. Woodward: Oh, yes.

The Chairman: So in effect, then, he can tie it up completely.

Dr. Woodward: That is right.

Mr. Godfrey: Mr. Chairman, this is not peculiar to Panarctic. This is for any company...

The Chairman: All right.

Mr. MacDonald: The point behind it is that while we want to maximize the return to the Crown when success has been identified, there is still an argument in favour of the minimization of the number of wells because then you get into pool rating and the diseconomies of the way some fields have been developed in the world.

Dr. Woodward: It is interesting, as we have mentioned, that Australia is now adopting this policy.

The Chairman: Is it not the case, Dr. Woodward, that in some countries the governments themselves retain this other 50 per cent or...

Dr. Woodward: In the Province of Alberta the balance of the acreage becomes Crown reserve and then is sold at public sale.

The Chairman: I see. And the Government of Canada has decided that this policy is not advantageous?

Dr. Woodward: By comparative studies as to the benefits derived from the cash sale proposition versus the extra royalty provisions which escalate almost up to 40 per cent, it is considered that the cash return ultimately to the government is essentially the same. There is the benefit that we do not front-end load, if you will, the exploration by taking our cash off the top before anything is done; that it is at least taken after production is attained. So, there are two concepts; it appears to balance out pretty well, but at the same time this other scheme provides the most incentive.

Mr. MacDonald: I think one should bear in mind that a heavy royalty, which is what applies here, in effect is retention by the Crown of the very real interest in the results. That was desired purpose.

Mr. O'Connell: Yes, and of course in the Panarctic case the 45 per cent interest is a double accumulation to the Crown too.

Mr. MacDonald: Well, we win both ways.

Mr. O'Connell: Yes, you win both ways. Many of the questions have been asked in Mr. Watson's supplementary so I will not stick on that, but that was of great interest to me in seeing that the government's share would be maintained. Indeed, I would like to ask a few questions still in this general area.

Is there any Canadian content required in the other companies who have been granted permits, and presumably would be granted leases based on their results there?

Mr. MacDonald: Well, there are the Canadian participation regulations—

Mr. O'Connell: I am not asking in any specific sense but is there a general requirement...

Dr. Woodward: Very specifically. Before a company can go to lease it must satisfy Canadian Participation requirements.

Mr. O'Connell: Are they roughly the 25 per cent minimum Canadian ownership?

Dr. Woodward: The company must have its stock listed on a recognized Canadian stock exchange. In other words, the stock has to be available for Canadian participation. A foreign company can actually take leases as long as it has a subsidiary to which the leases are vested and which stock is available on a recognized Canadian stock exchange.

Mr. O'Connell: But no required proportion of its equity on the exchange, so far as you are aware.

Dr. Woodward: Only inasmuch as the stock exchange itself indicates, which I understand is about 15 per cent. In order to maintain listing there must be about 15 per cent of the stock in motion which cannot be firmly held. Shell Oil of Canada, for instance, is a case in point. About 85 per cent of the stock is firmly held and the other 15 per cent is trading.

Mr. O'Connell: That tends to balance off the more liberal surrender values in the risk areas. Could I ask ...

• 1100

Mr. Dinsdale: I have a supplementary concerning Canadian participation. Are there not special requirements for production of statements?

Mr. MacDonald: That is it. When you go to lease with the production stage you have to form a company that has stock registered on the Canadian Stock Exchange.

Dr. Woodward: A lease where they have the mineral rights; up to that time they only have a licence to explore, and to convert from one to the other requires to be done under Canadian participation law.

Mr. O'Connell: Mr. Chairman, may I ask again whether Panarctic considered or did take an interest in the permits in that July to October period when 28 per cent more land was taken up in the Arctic?

Mr. Godfrey: Panarctic filed since inception about 5 million acres for its own account. Other filings have been made by all kinds of people. However, Panarctic picked what it wanted and I think we would have to say or

believe that we got the jump because we have been doing the geology up there and working.

Mr. O'Connell: Did you go into the Mackenzie? Where did you take your acreage?

Mr. Godfrey: We had the bulk of a lot of the islands, so when we filed we simply filed additional permits where a portion of that permit may be offshore.

Mr. O'Connell: You stayed on the islands?

Mr. Godfrey: We stayed on the islands; we did not bother filing offshore among the islands.

Mr. O'Connell: Mr. Chairman, I would like to ask the rationale of the exclusive island policy in view of the Prudhoe discoveries which would indicate that there likely are to be pipelines, and that something on the land itself would perhaps be an attractive area for Panarctic. Where does the island rationale come in so strongly?

Mr. MacDonald: May I reply to that? I think one has to understand that Panarctic is essentially a syndicate, a partnership arrangement of many partners, and that is the controlling instrument at the present moment and establishes the policy. It was born out of the options that Dr. Sproules had secured and these were on the Arctic islands, and essentially his argument was a consortium to explore the Arctic Islands.

There is no legal reason why Panarctic could not go beyond that, but the present partners are committed to specific sums of money which they must furnish on a prescribed basis, and these are committed to a specific program on the Arctic Islands. If we are to go further, the Board of Directors and the partners behind them would have to consider whether they are prepared to furnish additional sums of money and enlarge the scope of the program somewhere else.

Mr. O'Connell: I appreciate that, but it brings up the question of the Canadian government's satisfaction with one member on the Board when public policy might dictate that there might be a good deal more encouragement given for taking up permits in other than the Arctic Islands; for example, in coastlines, in Hudson Bay, in the Mackenzie Basin, where these maps indicate some very significant possibilities.

Mr. MacDonald: I do not think it would alter the matter one bit. I can tell the Committee that although we have only one director on the Board there has not been one disagreement at any point of time about the policy to be followed between the government and industry members.

The real crux of the problem will be, who is prepared to put up the money? We have not felt justified, speaking now with my Departmental hat, in going back to the government to raise the question of additional capital sums in this particular financial climate and before the Panarctic venture has begun to demonstrate something. My reading of the minds of our industry partners is that precisely the same attitude prevails.

Mr. Taylor: Yes, I would agree with that This project was formed to do a certain job of work. It was confined to the islands because that is the way it was formed.

We have to get this thing going and raise the money fully to explore this land and develop it ultimately, we hope, and no thought has been given to enlarging this program into other areas as yet because if so, it means a completely new idea of financing; more moneys, and so on would have to be raised.

Certainly when we started this thing, the optimism was not as high, generally that is—not amongst the participants. Obviously we were optimistic but with the Prudhoe Bay discovery certainly the optimism has increased. However, it has not increased to the point where we are now wildly thinking of taking the whole of the north country into Panarctic. A new thought has to be born for us to do this, I think, and then we have to raise the money, which is even more important.

Mr. MacDonald: May I supplement this with further facts that I should have included. The volume of sedimentary deposits in the Arctic Islands is approximately equal to that of all three prairie provinces combined. The amount of money being spent on exploration in Alberta alone every year is $100 million, so that gives you a relative order of magnitude of what would happen were we to expand our purview here.

We are operating on a $20 million program at the present time for an area that is equal to the three Prairie Provinces combined. We are confident that we will be spending $30 million and much more on Panarctic Oils. As

I say, in the exchanges that took place between the government and industry members, we have never thought at any time that even $30 million would buy a yes or no answer with respect to the oil in the Arctic Islands, so the problem has been to avoid dispersal of effort. We are already working on something that is equivalent to the three Prairie Provinces combined right now.

Mr. O'Connell: Mr. Chairman, I do appreciate those answers and the logic; it is a very cogent answer, I think. However, I would have to say am not satisfied in view of the Prudhoe discovery that the established policy should not be now reviewed. I appreciate, sir, that your Department does not feel it ought to go back for more funds, but that is precisely the point. There is only one government representative and perhaps there ought to be others representing the government, and perhaps different financial arrangements might come forward if Panarctic indeed could be a vehicle for more than is fixed focus on the Island.

Mr. MacDonald: Well, sir, I would like to make the point that it is not representation on the Board of Directors of Panarctic that is required; it is representation on the Treasury Board, because that is where...

Mr. O'Connell: But there is no plea going?

Mr. MacDonald: I cannot reveal all of the discussions that have taken place between myself and the Minister and with other colleagues. I think you are all aware that the present climate is one of very harsh judgments on priorities, and what we are talking about now is the extent to which the public sector will displace the private sector in the provision of investment funds, and I do not think that is going to be affected by the number of members of the government on the Board of Directors at Panarctic. This is a matter that would be of concern to the Minister of Finance and the government as a whole. It is a perfectly legitimate argument; I am not gainsaying that. This is an area of public debate.

Mr. O'Connell: Definitely; it is a matter of public policy as to the...

Mr. MacDonald: I am trying to make the point that it is not one that is going to be resolved within Panarctic.

Mr. O'Connell: No, but Panarctic is a vehicle currently of a joint nature; I do not want to enter into debate on it, because...

The Chairman: Mr. O'Connell, would it be acceptable for us to recess temporarily for five or ten minutes and have some coffee, and then we will resume?

Some hon. Members: Agreed.

• 1115

After Recess.

• 1123

The Chairman: Mr. O'Connell, you were questioning several of the witnesses.

Mr. O'Connell: As this might be an opportune time, I would like to say that I think this total venture is a most attractive one. I think Canadians will look back with a good deal of gratitude to the then Minister, Mr. Laing, for the energetic and realistic response he gave to the opportunities by going joint venture with private Canadian companies in the North. I think that was a most imaginative and proper kind of response and...

An hon. Member: Mr. Chairman, is this supposed to be partisan or non-partisan?

The Chairman: Non-partisan.

Mr. O'Connell: I do not think this is being partisan. I think this is a factual statement. I am very much interested in this kind of extension.

I do not think I want to continue the discussion which was perhaps tending to become a debate on the Board of Directors and the government content on it, but I am simply not satisfied that we have a sufficient voice there. At the stage of permit filing, is the Canadian content requirement applicable, or does it come in only at the leasing stage?

• 1125

The Chairman: Mr. Woodward.

Mr. Woodward: No. In other words, an applicant is acceptable with respect to permits as long as he is 21 years of age or if it is a company, it is incorporated in Canada or has a licence to do business in Canada or its provinces.

Mr. O'Connell: Well, then, how can they qualify under the leasing for Canadian content?

Mr. Woodward: This is their internal legal problem. They have to qualify and if they do not qualify when they take the permit out, then in between that stage and the time that

was picked to lease it they must somehow or other adapt to it. In other words, for those foreign companies it is a matter of setting up a subsidiary which has stock issued, which has stock on the market.

Mr. O'Connell: Mr. Chairman, I have a question I would like clarified. It arises from the then Minister's statement in December 1967 when he remarked that Panarctic will control just over 63 per cent of the Arctic lands regarded as potential oil and gas bearing acreage. Would we have to modify that judgment now in view of the more recent statement which has no date but apparently was made in October or a few weeks ago that there are 270 million acres currently held—and Panarctic would appear to me to have perhaps 20 per cent of that?

Mr. Woodward: I think you will find the 60 or 63 per cent statement applies only to the sedimentary area within the Arctic islands: the 270 million acres you referred to refers to the land held in primitive form throughout the Yukon and Northwest Territories, including the Arctic islands. In the Arctic islands themselves at the moment—and here again the disposition of permits almost precludes drawing a definition any more—the permits in the islands run contiguous to those of the mainland and one has to arbitrarily, let us say, take the marine channels, if you will, in the Queen Elizabeth group up to the Arctic islands. There are probably about 100 million acres held in the Arctic islands now which Panarctic has in addition to the initial 44 million which it had upon the initiation of this project and it subsequently picked up about another 6 million. It has, in other words, about 51 million of 100 million. In other words, it has about 50 per cent of the acreage. In this 63 per cent there is an element of from the geologic point of view as to what is prospective and what is not. A great deal of the acreage that has been taken out in the last three months has been taken out under a sort of heat of the moment, essentially a land rush.

Mr. MacDonald: A water rush, rather.

Mr. Woodward: Yes. I expect indeed that when the next renewal period for these permits comes around when you have to plunk down 15 cents for additional work there will be a rationale there and you will find a great deal of this land surrendered. Much of that which has been taken out recently is in water depths of 600, 1,000 and 1,500 feet, ice-covered, with fantastic technological problems and so on. And much of it has been taken out by small companies, in part possibly by those with speculative interests rather than definite interest in exploration. So I suspect once the Prudhoe Bay peak and interest is over and it gets down to the rational business of expending money to really see what they have, you will find a great deal of the acreage reverting to the Crown. So this 63 per cent of the prospective acreage then is probably still a good statement.

Mr. O'Connell: Thank you. In the documents here there is a reference to the rights of Panarctic to minerals other than oil which may be discovered and I gather that there is a 15-day period in which Panarctic might lay claim to those minerals or stake. Could I have a little clarification of whether Panarctic has any policy with respect to that. I notice a few major mining corporations are members of Panarctic-Noranda, to mention one, Cominco, and I have just forgotten; there are a couple of other major corporations. Would the public interest as reflected through the government's share of Panarctic be sufficiently considered, if I might say that, with one government representative—Oh, I will not come back to that.

• 1130

If there is only a 15-day period during which this corporation may either stake or not stake, not knowing really what is there because they have just discovered something, is that a very good arrangement? I would like some clarification of whether there are policies with respect to that since it would seem to me that it might be more proper to change that requirement now than to face a little difficulty later on.

Mr. Taylor: We do have a policy in Panarctic for other minerals and the policy is briefly this. The main purpose of Panarctic is to look for oil and gas. However, it is realized that in our explorations over the islands we may find other minerals. Panarctic recognizes this possibility and it is its policy that we will stake lands where these other minerals might be found. We are not using our money at this time deliberately looking for other minerals. The program is aimed at oil and gas but other minerals are definitely associated with some of the large structures up there and we are not closing our eyes to them.

Mr. O'Connell: Mr. Chairman, that only confirms my lack of satisfaction, if I may put

it that way, with this 15-day requirement. Since there are such major mining corporations involved in the operation that have very large financial resources and might prefer to undertake any mining development themselves under the presumption that Panarctic is an oil and gas focus basically, I am just wondering whether we should not review that kind of situation so that Panarctic and, therefore, the government participation and the public's participation in the mining ventures might be more closely considered?

Mr. MacDonald: The Board of Directors has taken a specific decision which is a direction to its Executive Committee that Panarctic will file on any mineral discoveries that come into our orbit as a result of our exploration activities. We are, in fact, the only exploration activity going on in most of these areas, so the Board of Directors has taken that decision.

Mr. O'Connell: That they will file?

Mr. MacDonald: Yes, very definitely. It is the unanimous view of all participating members, including the mining companies, that this is a partnership and any benefits that accrue must accrue to the partnership.

Mr. O'Connell: Is the implication to the filing that development would be a joint venture?

Mr. MacDonald: Most certainly.

Mr. O'Connell: Thank you.

Mr. Godfrey: There is also the point, of course, that as Panarctic is a separate company, the individual participants are not privy to the technical information that Panarctic is finding except at various meetings, not on a current basis.

Mr. MacDonald: Further to that point, the Board of Directors has also passed a resolution that such information shall not be made available to individual participants but that it shall only act as a consortium through its operator.

Mr. O'Connell: Are you satisfied with the 15-day requirement? I gather it is a requirement.

Mr. MacDonald: We have had discussions on the adequacy of that from time to time. We think with today's methods we can operate within that period. I think a longer period probably would be desirable and we may well come to that at some point.

Mr. O'Connell: I am puzzled why it is so short in view of the circumstances of the North.

• 1135

Dr. Woodward: Possibly this might be pertinent. The reason for the short period is that if Panarctic had not chosen to file these claims—the showings, and so on—the other mineral companies involved here want to be assured that they have the first opportunity and not some outsider. In other words, if they delayed too long between the time Panarctic decided it did not want those claims and the time they were allowed to file on their own behalf, there are a lot of other people interested in minerals up there who might have actually staked those claims ahead of them.

This is the idea of keeping the period as short as possible between the time Panarctic indicates it does not want them and the time in which interested companies can take some benefit from their participation in Panarctic by having sort of a prior interest in filing those on their own behalf.

Mr. O'Connell: Do I understand correctly, then, that the participating companies do not realize there is a mineral discovery for 15 days?

Mr. Godfrey: It may be longer than that.

Mr. Taylor: No, it is 15 days after Panarctic has said it does not want them.

Mr. O'Connell: I have read this 15-day thing differently.

Mr. MacDonald: It is a first refusal, really. Panarctic itself has the first cut at it, and then the participating members have that period, but the point must always be kept in mind that anyone can file—anyone. Therefore, as Dr. Woodward has properly pointed out, the whole question is then surrounded by some degree of urgency because one can never be sure that things will not leak out. Everybody does have to move with some kind of speed here, but Panarctic has the right to make the decision first. As I say, we have already passed a resolution in that respect so there is an automatic filing. As far as the Directors are concerned we can always abandon it later on, so we have taken the position that we will file.

Mr. O'Connell: In the recent budget changes with respect to the taking of depletion in a different way, do you feel that that

has affected adversely the financial operations in case of discoveries?

Mr. MacDonald: I would like someone from industry to respond to that.

Mr. Taylor: I do not know whether I can answer that question because it varies, of course, from company to company, depending on whether they are actually getting that depletion allowance. I would guess that the answer to your question is, no; it has not adversely affected the industry.

Mr. O'Connell: You do not feel adversely influenced by the budget provision?

Mr. Taylor: Well, I cannot answer that question, really.

Mr. O'Connell: Because there is no result, is that the reason?

Mr. Taylor: No, my reason for saying I cannot answer, is because I do not know what the individual company's feeling is. This is an industry. This would be more properly directed to the CPA who represents the industry because you would need a consensus.

Mr. O'Connell: I am thinking of Panarctic's position.

Mr. Taylor: I wonder if you are just talking of Panarctic? It has not affected our budget because we are committed to a budget from a year ago. We made a commitment and we have to fulfil it.

Dr. Woodward: My understanding of the recent change in the depletion allowance is that everything is exactly as before except that companies now have to consolidate. In other words, depletion is taken off production income before computing taxes. A case in point is Imperial Oil which separated itself essentially into a producing company and an exploration company to get maximum benefit of depletion allowances. For this reason, indeed, they have brought in the condition that a company now has to consolidate its explorations and revenues for the purpose of computing depletion.

So really, as far as Panarctic is concerned it makes no difference, because it is essentially a consolidated company in any case, and the depletion provisions as they were previously and as they now exist make no difference. It had no potential for benefit before and, of course, the benefit that was available to few companies is now taken away. So the recent changes in depletion allowances have not had any impact at all on the Panarctic structure.

Mr. O'Connell: Thank you. Mr. Chairman, I have another question of a quite different nature and it may not be possible to have a full answer here. One of the problems we have not faced and a problem which we may face in an acute form in the near future is the question of aboriginal land rights in the North, and presumably above the tree line this would concern Eskimos.

• 1140

I was interested to hear Mr. Taylor remark that there are no Eskimos in the Panarctic lands. That might change the character of my question, but I would like to ask whether any legal advice has been sought or any departmental, governmental or Panarctic considerations given to the question of aboriginal land rights with respect to the work it is now carrying on?

It is going to arise in any case but it is going to arise sooner if there are oil discoveries in a different form and I would like to know what advance thinking is going into that.

Mr. MacDonald: I do not think Panarctic can comment on this because as a Company it is operating under the laws of Canada and is a duly authorized permit holder.

With respect to the question of aboriginal land rights in terms of the Eskimos, I do not think that there is any decided opinion on this subject. The pattern of land occupation for Eskimos was not that, for example, of the Indians in terms of territorial definition. They are highly nomadic. Finally, with respect to the Panarctic situation they were not indigenous to the islands. There has not been any residence or life before.

Mr. Dinsdale: I have a supplementary, Mr. Chairman. That would mean that Treaties 8 and 11 only apply to the mainland?

Mr. MacDonald: Treaties 8 and 11 are applied to a defined area.

Mr. Dinsdale: On the mainland.

Mr. MacDonald: On the mainland.

Mr. Dinsdale: They do not extend beyond the mainland.

Dr. Woodward: That is the southern-most portion of the Territories, too. It does not extend too far north.

Mr. MacDonald: No; where there was a historical pattern of residence recognized among people at that time as being the Territories.

Dr. Woodward: The Great Slave Lake area, essentially.

Mr. O'Connell: Mr. Chairman, is Panarctic on Banks Island?

Mr. Godfrey: Yes, partly.

Mr. O'Connell: But Banks Island is occupied by Eskimos. Now, it might not be just where you happen to be, but there is a good deal of movement...

Dr. Woodward: I think Mr. Godfrey had in mind when he said the Arctic islands, rather the Queen Elizabeth group which, of course, is that large triangular segment north of that prominent channel, going east-west through it. In that segment historically there have been no Eskimos. I think probably 300 or 400 years ago apparently there was civilization, at least hunters and so on there, but there have not been any permanent residents for 300 or 400 years.

In fact, the Eskimos that are at Resolute and other places like Grise Fiord and some other settlements are there because of the good hunting and fishing in the area, so it has been an artificial movement, if you will, of Eskimos into that Queen Elizabeth group at least. There are Eskimos at Sachs Harbour, as you indicate.

The Chairman: Mr. O'Connell, have you completed your questioning?

Mr. O'Connell: I will pass for the time being.

Mr. Smerchanski: I have a few questions, Mr. Chairman. Is Prudhoe Bay in the same general sedimentary basin in which Parnarctic oil is located, or is there a break between Prudhoe Bay sedimentary basin and the extreme western portion of the Panarctic oil sedimentary basin?

Mr. Taylor: This is difficult. In other words, we really are talking about geology and different periods of time and the one that is of concern here is Triassic and part of the Mississippian. Quite obviously, the fact that we have Triassic in both places and in areas in between, places which have been eroded to zero thickness, show that in one way or another there is some co-extension and, indeed, what has premeditated, the extensive filing is this supposition that there is connection between the two.

I have indicated that at Prudhoe Bay there is the deltaic sedimentation, very thick bands in a marginal seacoast type depositional pattern. The identical pattern exists there in northwest of Melville Island so indeed we have a south shoreline, if you will, of an old Triassic sea, at least at Prudhoe Bay and in north Wales and Melville Islands, this same type of depositional features. So the supposition is indeed that in that period of time there was some extension between the two and that similar sedimentary conditions exist in both, and that there is a possibility of other similar environments existing in the subsurface portion.

• 1145

Mr. Smerchanski: Have you had an opportunity to have a look at the initial exploratory seismic results in the Prudhoe Bay area, in terms of what resulted there as against some of the seismic work that has been done by Panarctic?

Mr. Godfrey: As to the information in Prudhoe Bay, first of all it is Alaska, and secondly it is being done by companies on a very highly competitive and secretive basis. We cannot get access to either their well information, or their seismic...

Mr. Smerchanski: Would you have any indication as to the ground initially that the oil companies went into in the Prudhoe Bay area? In other words, did they go in almost on the same basis of exploration the way Panarctic has gone in, or did they go with some preconceived notion and ideas and some knowledge that they may have acquired earlier in the historical investigation of that area?

Dr. Woodward: Maybe I could answer that question. The north slopes of Alaska have been under investigation for many years. The original investigation, of course, took place on the U.S. Naval Petroleum Reserve No. 4, and there has been a number of small oil fields and some gas fields found. Because of their distance and so on, they had never been exploited.

The geology and the sedimentary conditions of course have been known in part from rock exposures in the Brooks Range immediately to the south of the Alaska Arctic slopes, and so many of the conditions for oil accumulation were known to be extensive. There was

in fact a demonstration of oil and gas in the ones I have indicated. These things have been under lease and under exploration permit in Alaska for many years, and the evolution of the program which resulted in this discovery has been going on for some time. Even before Prudhoe Bay, for instance, The British Petroleum Co. of Canada Ltd. has drilled, as I recall, at least three wells in the immediate area, unsuccessful unfortunately.

The Chairman: How immediate?

Dr. Woodward: I can take a guess at this. I would say within 15 miles of the structure on which Prudhoe Bay has been located. In fact, these companies, because of the recent excitement, are now going back in and will be drilling two or three more wells on their lands, about which they were formerly discouraged in their search.

Mr. Smerchanski: Would it be a fair supposition to say that they were fortunate in that they were looking for an oil well in a favourable location, and they were just lucky enough to come across this discovery?

Dr. Woodward: I would say extremely lucky.

Mr. Smerchanski: Right.

Dr. Woodward: If it turns out to be the way it is supposed to on this five to ten billion barrels, it would be the largest oil pool discovered in North America. The probability of discovering one of even 100 million barrels—considerably less as you can realize in Western Canada experience—is one in about every 167 wells, wildcat wells. The opportunities of discovery are quite slim. At Prudhoe Bay it is statistically dense. How many wells are there in North America? Probably 100,000? In other words, one discovery of this nature out of, I would say, 100,000 wells.

Mr. Smerchanski: Mr. Chairman, another question, and this is of course purely hypothetical. With the exploration program you have laid out for your Panarctic, there would only be a 10 or 20 per cent possibility of success as compared to what they had in Prudhoe Bay. This would certainly more than justify the expenditure of $20 million by Panarctic. What would your feeling be on that?

Mr. Godfrey: As a participant I would say it certainly would justify it, because at least in the Arctic we have got what looks like the structures. We own a large share of the land so that if anything is found up there we have a reasonable chance of being in on it, and the other point of course is that the Arctic has hardly been touched. You have got to find out sometime.

Mr. Smerchanski: Is it 15 cents per acre to hold the permits on a year basis if you do not do any work?

• 1150

Dr. Woodward: Let us get down to the Arctic and the case in point. The permit term there is 12 years. It is divided, an original term of six, plus six annual renewals. The original period is broken into three, an 18-month period, a 30-month period, and a 24-month period. In the first period, when you file on the land, you put down five cents to guarantee that you will do five cents worth of work per acre in the first 18 months. To renew it you put down 15 cents to indicate that you will do 15 cents additional work per acre during the next ensuing 30 months, and to renew it again you put down 20 cents per acre to ensure you will do 20 cents worth of work per acre for the next 24 months. Then by annual renewals it escalates 25, 35, finally to 50 cents. In total, during the term of that period you have essentially guaranteed you will do a minimum of $2.70 worth of work during the life of the permit.

Mr. Smerchanski: If a company takes out a permit and finds that it cannot do the actual work on their ground, they can, by paying in this fee in terms of whether it is 18 months or 24 months, continue to hold the permit on that particular land.

Dr. Woodward: As I say, the deposit is purely a guarantee that the company will do the work. If it is unsuccessful in completing the work, by providing a rational reason why it was unable to do it, we provide for carry-forward of that expense that deposit.

In other words, for the first 18 months if it was unable to do the work, they would put down the 15 cents to guarantee to do 15 cents worth of work in the next period plus the unfinished work which remained. It would have to do 20 cents worth of work, 15 plus five, and we provide these carry-forward privileges. As far as I know we have never exercised the right to terminate the permits because of lack of carrying through the intent which is inherent in the application. In most cases we provide the carry-forwad because the company, rather than forfeit money

which just goes into general revenue, would indeed do the work. It either loses the cash or shows indeed it has done the work and recovers its deposit.

This is the whole idea, that there is a guarantee there. The Crown has always got its hands either on the deposit or the work that has been done.

Mr. Smerchanski: As long as the company shows intention. It could be due to physical conditions that it cannot get into an area or they have been unable to get into an area. The government then does, because of the permit, give them the right to carry forward and it does not forfeit or cancel out their permit.

Dr. Woodward: I know of no situation where there has been a forfeiture because of that, and as I say just for the reasons that a company eventually does get busy and do the work.

Mr. Smerchanski: Mr. Chairman, I certainly think that Panarctic, as all the witnesses have indicated, is a tremendous and fascinating program, especially in view of what happened at Prudhoe Bay. I think this augers well for the pioneers or the initiators in this entire project. All I want to say is I certainly compliment them and wish them the best of luck.

The Chairman: Thank you, Mr. Smerchanski. Mr. Borrie.

Mr. Borrie: Mr. Chairman, I understand that you have on hand a news story from The Montreal Gazette, and comments by Governor Hickel I believe of Alaska. I wonder if you would read that for the information of the Committee.

The Chairman: Governor Hickel of Alaska apparently made a comment a few days ago. He said among other things that Canada is doing "more in one year in their Arctic that the U.S. has done in 25 years in Alaska's Arctic."

There is a very short news item. If the Committee agrees, we could perhaps have it appended to our Minutes.

Some hon. Members: Agreed.

Mr. Dinsdale: I understand that while I was out the question of the pedigree of the Canada Oil and Gas Land Regulations came out. Unfortunately I was called to the telephone, and I would just like to point out to the committee that these regulations emerged out of a long period of consultation with the industry, with a view to encouraging early exploration, development and final exploitation, while at the same time preserving the public domain because this is a potentially rich mineral area in the North.

• 1155

When the regulations were approved in 1961 there was an immediate response by the industry because they had been consulted right along with the Winter Harbour development. While there has been some delay since then in proceeding, as I said earlier, I think the industry should be complimented for persevering and finally getting a major development of this kind. I am very pleased to see that the regulations are still compatible with the needs of the North.

The Chairman: Thank you, Mr. Dinsdale. I have a number of questions that I would like to ask Mr. MacDonald, Mr. Taylor and Mr. Godfrey. I would like to say initially that one point which I think we all recognize now and which unfortunately very few Canadians realize, is that the natural resources of the Northwest Territories and the Yukon belong to all Canadians as distinct from the natural resources of each of the provinces, and in this natural heritage we all have a joint interest. Every Canadian citizen, no matter whether he is a Quebecker or a British Columbian, has an equal interest in these resources. Therefore the Panarctic concept in my view is not only contributing to the development of the North. I think it is making a contribution to Canadian unity and has a real potential to contribute in the future to Canadian unity because of the fact that we all have a joint interest in this venture. I am expressing my view as an individual Member of Parliament. I would like to see this concept expanded and I would like to see other ventures like Panarctic in the Northwest Territories and in the Yukon.

I approve wholeheartily the concept of the government participating in a minority way with private industry, but with Canadian private industry, and although I think perhaps in the future we might have other ventures in which there would be foreign interests, I think that the encouragement which Panarctic has given to Canadian industry participation is a good thing and should be a guide for future action in this if we decide to do anything further along this line.

I will address my initial question to both Mr. Taylor and Mr. Godfrey. Is it not the case, gentlemen, that if the Prudhoe Bay discovery had been made prior to the setting up of Panarctic, in all likelihood Panarctic would never have been set up? You may not want to commit your companies in this respect, but would you mind telling us whether you think your companies would have been as interested in entering into a partnership with the Canadian Government if interest in the North had not been at a rather low ebb?

Mr. Taylor: Mr. Chairman, I think that is a rather hypothetical question. I do not know whether I can answer it.

The Chairman: Mr. Godfrey?

Mr. Godfrey: I think the logical answer would be that we would not have joined with the government. We would have explored this as another prospective area the same as the Northwest Territories, Alberta, or any of the provinces.

Mr. MacDonald: I think if I could supplement that and take the gentleman off the stop. I think if Prudhoe Bay had existed, and the climate then prevailing, Dr. Sproule would have succeeded originally, and therefore the question of government participation would simply not have arisen. Our participation in the role was in the given circumstances. It was about to fail and we had to conceive of something, and then we saw these other attributes. Industry happily welcomed it after an initial moment of surprise, but I can say because I was personally involved as much as anyone in this from the very beginning that after this moment of surprise the industry warmed to this idea and we saw this thing with absolutely the same view at every stage for what it meant to Canada and what it has come to mean.

• 1200

The Chairman: Because of one of the important factors which I feel is an element in this whole venture, which is the contribution it makes to a sense of Canadian participation in Northern development and the contribution to Canadian unity, do you feel that your companies in the future would be more open to this concept of participation with the government in such ventures?

Mr. Godfrey: It would have to be a similar type of conditions. I do not think that all industries would participate with the government in readily accessible areas or some places where the government's help, as in the Arctic, is very real. We are all individual companies.

The Chairman: But there is an interest in every company in decreasing the risk in any venture and now if the ice has been broken risk reduction might or might not be a factor in interesting private industry elsewhere in Canada in participating jointly with the government in an exploration or prospecting enterprise.

Mr. Godfrey: This is entirely possible. At the same time it reduces the risk it reduces the price. This is the difficulty to solve.

Mr. MacDonald: I could say, Mr. Chairman, that from the Department's point of view with respect to that question, we do see applicability of this idea elsewhere. In fact I have one specific instance in mind which we will be developing at the appropriate time. It will not be exactly the same, but it will be quite analogous to the Panarctic concept. Having been so well received, we think that it has indeed created a climate. The spin-offs in government in its relations have been very real. I think industry members would agree that it has worked very well and we want to apply it in an area which I cannot mention at the moment because it does involve negotiations.

The Chairman: Has there been any serious criticism within industry itself of your company's participation in this venture by other oil companies who have not contributed? Have they regarded you people as being rather naughty for having entered into a partnership with the government in this regard?

Mr. Taylor: No.

The Chairman: You have not had this?

Mr. Godfrey: No. I would just like to add to that, as a matter of fact, that there are more people not in Panarctic who wish they were in Panarctic, including all the major oil companies.

Mr. Dinsdale: May I ask a supplementary, Mr. Chairman? I think in the initial stages in the North that this sort of co-operation is inevitable, but maybe Mr. MacDonald can verify this fact. The Department has long had the slogan "woe unto them who sit on their frozen assets". I think we had reached the position with reference to the Canadian North

where the government had to seize the initiative because of the obvious initial difficulties, and I presume that is still the Department's slogan. I would also further anticipate that when your first Northern Leduc comes in there will no longer be any problems in participation of private industry.

Mr. MacDonald: I used the expression in my last speech in Los Angeles. It was very effective down there.

• 1205

The Chairman: On the business of leasing land from the government for initially permit-taking, then leasing, do you as representatives of private Canadian industry feel that it is an acceptable situation that the 1961 regulations should be interpreted in a way in which a company which is not even listed on a Canadian Exchange can acquire the permits, and then only when it has reached the point where it wishes to acquire land for leasing is it obliged to become listed on a Canadian Stock Exchange which indirectly requires it to be at least 15 per cent Canadian owned? Do you feel that this flexibility is a good thing, or do you feel that the same rule should apply perhaps to permits as to the leases themselves which would require that any company which is given a lease by our government should at least have the minimum requirement of a permit?

Mr. Taylor: No, I think that the present arrangements are better than the present suggestion that you are making because if you did have such a provision, you would eliminate many of the companies in the oil business, or you would make them change, or maybe they would not change. The more companies you have involved in exploration, the more work you will get done, and I think what we need to encourage is these explorations by anybody who is willing to put up his money.

The Chairman: Mr. O'Connell, before you leave do you have any further questions?

Mr. O'Connell: No, thank you very much, Mr. Chairman, I think I had plenty of time. I am sorry I have to leave.

The Chairman: On this permit granting process, do you not feel that if a company were forced to become at least a 15 per cent Canadian company it would do this? Do you not feel that the majority would do this, if they were forced, and that the potential prizes are such that these companies would conform to this minimum requirement?

Mr. Taylor: I do not know how many it would eliminate. I would think, though, that any time that you try to enforce such a thing with companies, let us say, that are American or French or what have you, you are imposing something on them which they may not like. At the present time the climate for them to work in Canada is good and you do have all these American and European companies exploring in Canada. I think that if you do impose things on them that they do not like it may eliminate some of them who do not like this provision.

The Chairman: But over the long run, Mr. Taylor, the fact that a company has acquired the permit on a given number of acres in effect providing it follows through and spends the money, that initial five-cent permit which it acquires is an absolute option, that is, providing they continue spending money, they can eventually acquire title to that land for all purposes, and therefore this in effect gives, for example, Aquitaine or any large American company for five cents an absolute option on an acre of our Arctic land without any requirement that that company have a single Canadian shareholder.

It seems to me that this is not good enough because supposing that we accept that there is oil in the Arctic and that eventually it will be found, is there any absolutely pressing reason why the need for exploration is so urgent now that we should encourage these people to go in without any possibility of Canadian participation in the results? I just want to know why you feel the need for exploration and prospecting for oil in that area is so urgent that it warrants this type of regulation which allows a company to go in without any Canadian ownership.

Dr. Woodward: There is the option to the permittee to select leases, but the option can be exercised only if it qualifies under that section. In other words, there is no availability of mineral rights unless, indeed, it does qualify under Section 55, which demands Canadian participation. So really the exploration permit is simply that it has the ability to explore. Indeed the reason for this is to get that investment capital in the exploration stage. You find nothing unless you explore. And this is, I think, the disadvantage of the suggestion here; that indeed it was only in the Canadian companies, which we notice

from the examinations that have been made in manufacturing, resource industry and so on, that there is an inadequate amount of capital available to explore in the dimensions that this requires in Canada. And indeed we do have to look to foreign companies to provide that money. They have to qualify; indeed this does compel, if you will, companies to set up Canadian subsidiaries, to list on the market, to bring this within the orbit of Canadian control. Here is a device, indeed, which in a sense contributes to the over-all government policy of trying to restore control of the Canadian resources to Canadians.

The Chairman: Do you feel that the listing requirement is sufficient? I was not aware that various Canadian exchanges required a 15 per cent Canadian participation in order to allow listing.

• 1210

Dr. Woodward: They demand that a certain amount of stock be traded; in other words, they do not allow a company to list its stock; indeed, if it is so closely held there is no trading at all.

The Chairman: Therefore the Canadian exchanges which we depend upon to enforce the Canadian participation in these companies do not even require a 15 per cent ownership. It is only 15 per cent of the trading, and 15 per cent of the stock?

Dr. Woodward: That is correct.

Mr. MacDonald: I might say, Mr. Chairman, on that point that we make no representation that the participation clause really achieves a very significant degree of Canadian ownership. This was a legislative attempt to do this. We have looked at a variety of other legislative ways to try to do this but we cannot think of any better, and frankly that is one of the reasons why we like Panarctic. It is the only way we have ever found which we really can be sure is going to be Canadian owned, because we cannot go by second, third and fourth degrees of ownership in our type of enterprises that we have. We could not set up a system which would police it, so one of the principal attributes of the Panarctic system or that 45 per cent was that it is the most permanent and most unambiguous way of assuring Canadian control. I want to make it clear that we do not pretend. These are the regulations, this was the desire, we try to enforce it, but we do not kid ourselves about it.

The Chairman: Mr. Dinsdale.

Mr. Dinsdale: I believe it was unique and I think it is still unique in the handling of Canadian resources. I do not think any other province has this requirement.

Dr. Woodward: One of the thoughts here is as a consequence, the development resources of the North we might say are at an investment disadvantage, it seems to me, to the provinces because they do not have that stipulation in there. As a consequence there are many companies, as Mr. Taylor has already indicated, who would prefer, because they can accommodate to the situation, to re-restrict their investments to the provinces and not venture into the North at all. Indeed when the provision was brought in there were numerous companies that essentially pulled out of the North because they had no agreement, indeed, that they would ever attempt to accommodate to this provision.

Mr. MacDonald: This is one of the problems, Mr. Chairman and members, that we had to be careful with in making the North a guinea-pig with respect to these desires. They are not in fact universally applied throughout Canada. Canada is the greatest net importer of capital in the world, and within Canada we who have the responsibility for developing the north are competitors, in a sense, with the rest of Canada.

There are numerous alternative investment opportunities and we have to play this with some considerable delicacy if we are not to fail in our task of developing the Canadian north.

Mr. Dinsdale: Mr. Chairman, can the expert witnesses before us say whether the Crown reserve system that was introduced provides sufficient protection for the public interest in these cases because the Crown still retains control over a large area?

• 1215

The Chairman: I am not sure, Mr. Dinsdale, if you were here when that question was asked this morning, but I think it was touched on in an answer...

Dr. Woodward: There are two Crown reserves.

Mr. Dinsdale: It is very pertinent to the questioning at the moment.

Dr. Woodward: Yes. In the case, first, of permits which are surrendered *in toto,* these

again become available, also in permit form, at sales, and the same types of companies, or any applicant over 21 years can be licensed to do business...

Mr. Dinsdale: But the Crown can determine who gets...

Dr. Woodward: Yes; but in the case of the leases the balance of the acreage in a permit from which leases have been taken reverts to the Crown as Crown reserve. It can only at the moment be taken as leases and, as a consequence, section 55 pertains to all those participants at public sales. They are the only ones who qualify. To gain right to the minerals really demands that they qualify for section 55 irrespective of whether it is by first-filing, by sale, or by any other means.

The Chairman: Perhaps, Mr. MacDonald, you could explain to us what the royalty procedure is when oil is discovered.

Mr. MacDonald: I will let Dr. Woodward answer that.

Dr. Woodward: There are two things. First of all, a company can, essentially, go to lease on the permit at any time. The most rational way, because of the marked escalation of rental and other costs attendant on the lease which are not attendant on the permit, is for the company normally to defer going to lease until it indeed has a discovery, and then it selects its acreage.

Having done that there is a lease rental which is now $1 an acre a year except in the first year, when it is 50 cents; but essentially it is $1 per year.

One can see that this is considerably different from the $2.90 or $2.70 which it has to expend on exploration work over a period of anywhere from 10 to 12 years. Therefore, that rental comes to the Crown as revenue.

In addition, on all production a 10 per cent royalty comes off the top. In other words, on every barrel produced the Crown has the right to take ownership, essentially, of 10 per cent of the crude produced. Of course, it takes it in the form of cash.

These are the conditions that prevail...

Mr. Marchand (Kamloops-Cariboo): How does this compare with the rate the provinces charge on their Crown land?

Dr. Woodward: It is fairly comparative. In the provinces the maximum rate on oil is $16\frac{2}{3}$ per cent, or equivalent to $\frac{1}{6}$. This is a sliding scale, though under different conditions depending on rates of production. It starts off low and as the capability of wells, and so on, increases the maximum rates pertain. Ours is a flat rate of 10 per cent. This, again, was introduced on the basis of considerable study, with the idea of providing some incentive to venture to the north. It is a rational take, if you will, of the government in consequence and consideration of the cost of the funds used, and the cost of transporting and producing it but it does not remove all incentive from a company to explore.

The special royalty lease, which is the first right of the permittee to extract these other leases from the 50 per cent of the acreage which it has to surrender, escalates, depending on production. It starts off at five per cent over and above the conventional 10 per cent royalty rate and escalates to 40 per cent, depending again on the number of barrels extracted from the wells.

The Chairman: I did not quite understand that, Dr. Woodward. Where does this 5 to 40 per cent apply?

Dr. Woodward: This is on the leases taken from the other 50 per cent.

Mr. Smerchanski: Mr. Chairman, I have to attend another meeting at 12 o'clock, and I am going to have to leave. It looks as though this meeting will be almost completely unattended.

Mr. Dinsdale: Mr. Smerchanski and I have to welcome a very important delegation from Manitoba, so I also will have to excuse myself.

I regret having to leave at this stage because the testimony of the witnesses is very enlightening, and very important and encouraging. I am sure there is no disagreement in this Committee on what you are doing. We give you our blessing.

• 1220

Mr. Southam: Mr. Chairman, I am sorry. I came in late. I had to attend a very important meeting of the Standing Committee on Agriculture. It has just finished.

The Chairman: Gentlemen, I have a number of questions the answers to which which I feel we should have on the record.

Mr. Borrie: Perhaps it may not be necessary to have the meeting tomorrow morning.

The Chairman: We have another witness tomorrow morning, Dr. Thompson, of the University of Alberta...

Mr. Borrie: On Panarctic?

The Chairman: On the oil-leasing policy. He has done some comparative studies on oil-leasing policies. It will not be on Panarctic; it will be on oil-leasing generally.

We are now discussing on royalties. You had explained that on the other 50 per cent on which each company has an absolute option, there is a royalty variation of from five to 40 per cent. Does this depend on how much is taken out?

Dr. Woodward: Yes; in fact, here again it is broken down by belts. The more extreme royalty provisions apply to the southern belts, the areas where transportation is less costly, and so on. As you go farther north, and finally up to the Arctic, the provisions become less stringent, and depend upon production. For example, if only 0 to 16 barrels are extracted from a well as a daily rate, five per cent extra royalties pertain. This is all, by the way..

Mr. MacDonald: It is five along with the ten, which is 15 per cent?

Dr. Woodward: That is right. Similarly, if it is 16 to 32 it is 15 per cent on the increment; on 32 to 64 it is 20 per cent on the increment, and so on. You find that the range of these special royalties goes, essentially, from five per cent to 40.

This information is in the material which we submitted to you. It is Order No. 1, 1961, from pages 43 to 53 in the book of regulations.

The Chairman: Dr. Woodward, on the basis of this 10 per cent royalty, plus, I believe, the 51 per cent income tax chargeable by the federal government on the net profit...

Dr. Woodward: Fifty, I think.

The Chairman: ... would there be depletion allowance unless...

Dr. Woodward: Depletion allowance would pertain to the corporate income to which the 50 per cent would apply.

The Chairman: In this situation how does the revenue to the Canadian people compare with what exists, for example, in Venezuela, or in the various Middle East countries with oil fields? Do Canadian citizens get as much out of our oil, or do they have the prospect of getting as much profit out of our oil?

Dr. Woodward: It is commonly pointed out by oil industry members who have studied this intently—and I suggest that perhaps you should pose this question to Dr. Thompson tomorrow—that the extraction of revenue from natural resources, particularly oil and gas, in Canada exceeds that of the Middle East countries, even though the Middle East countries are always protesting about their having extremely severe conditions. When one computes our taxes and all the other things we extract from them, including Crown sales and the rest, the conditions relative to the extraction of oil and gas are indeed far more loaded in the favour of governments here than they are in the Middle East countries.

The Chairman: This has been the case in our provinces. With the set up which you have for the Northwest Territories will this also be the case?

• 1225

Dr. Woodward: Ours is essentially the same. As I have indicated, the conditions of the special royalty provisions were particularly to provide an incentive to effective production, with the idea of decreasing the cost per barrel—essentially to the consumer, if you will, but to make sure we had an entry to markets; that we were not loaded with high cost oil with which we could not compete.

The Chairman: How does this compare with Venezuela, which I understand has a very high royalty fee of about 70 or 80 per cent?

Dr. Woodward: I cannot answer that question. I do not have definitive information on this.

To comment generally, it is my understanding that when all these things are totalled up the conditions in Canada are every bit as severe as they are in Venezuela and the Middle Eastern countries.

The Chairman: In France, with government participation perhaps in the two major exploration ventures in oil companies—Aquitaine; and I do not know if it also has an interest in Petropar—does the method used there, of combining taxes, royalties and direct participation, produce greater revenue to the French government than does our method, or are you in a position to answer that?

Dr. Woodward: No; I do not have any information, other than a general comment, again, that I think perhaps Dr. Thompson will...

Mr. MacDonald: If I may comment on that, I do not think the conditions are equal. Petropar and Aquitaine are essentially working on non-resident oil, so we are not talking about what a company gets for its oil.

I would add, however, that with Panarctic, which I pointed out earlier has a volume of sedimentary deposits equal to the three Prairie Provinces combined, we will have that and better. In other words, we have probably half our potential. The Government of Canada owns 45 per cent as a principal, and will get its royalties as well. Therefore, this $9 million may well prove to be a very good investment.

Dr. Woodward: We get the royalty, of course, on that 55 per cent which the participants own, so really between our 44 per cent equity and the royalty provisions we are going to take more than half of the oil produced in this venture, when it is produced.

The Chairman: In the 70 million acres which have been leased since Prudhoe Bay—those that have been granted over the last few years—is there any written provision in any of the permits requiring the companies, where possible, to engage native people or inhabitants of the north?

Mr. MacDonald: No, we have never put those conditions into the general laws. We have however, been trying—as I indicated to the Committee lately—to point out to the industry directly that unless they do act public opinion would probably demand some such thing and that they had much better do it directly.

The Chairman: Apart from Panarctic, Mr. MacDonald, do you happen to know, who are the three other largest leaseholders in the Arctic?

Dr. Woodward: Within the Arctic islands?

The Chairman: No; let us include the Northwest Territories, the Yukon and the Arctic islands.

Dr. Woodward: The three very large ones, quite obviously, are Pan American, Imperial Oil and Petropar, or Elf Oil Exploration and Production (Canada) Ltd. That is its new name. They are three very large-acreage holders, but there are many others that come very close.

The Chairman: To your knowledge have these three companies made any attempt whatsoever to hire native peoples in the North on other than on a sort of casual or non-intentional basis? They may have happened to have done this, but to your knowledge do they have any policy by which they attempt to hire such people for any of their activities in the Northwest Territories, the Yukon or the Arctic Islands?

• 1230

Dr. Woodward: I would say they have not had a policy in th s respect in the past, but I would like to add that when you mention "casual", the phasing of exploration in Canada's North is a more or less casual thing. It is not a persistent, 12 months of the year effort. The very conditions of permafrost, breakup and the transportation media almost compel all exploration, geophysics and drilling to be conducted in the winter months only. Some surface exploration is done in the summer.

In the Arctic it has been somewhat the reverse. The seismic work has been done in the summer, because it is the only time we have daylight. In the winter time darkness precludes effectively doing this work. There has been no production activity and the only producing field in northern Canada is Norman Wells where Imperial Oil, in this particular case, does employ residents; in fact, all the personnel there are residents of the Northwest Territories.

Companies have, rather incidental to this in and out type of venture, utilized Indians and Eskimos. In fact, Mr. Godfrey's company at its Winter Harbour well, specifically with lead time brought down six Eskimos and trained them here again in the industry school so they could actually be employed on that Peter Bawden rake which drilled that well.

This was back in 1961-62, so even at that time with forethought this particular company engaged in this practice. Over the past year or so essentially we have been providing this as a moral obligation, if you will, to many companies and quite a few companies have...

The Chairman: Since what date?

Dr. Woodward: In the last year and a half it has been indicating to companies that

indeed there is a necessity. This is one of the objectives of natural resources development in the north.

The Chairman: If this Committee were to ask someone from Pan American Petroleum Corporation, Imperial Oil Limited and Petropar Canada Limited to come down here and explain what they are doing they would have had one and a half year's warning in this regard.

Dr. Woodward: Pan American, for instance in the Pointed Mountain area, has employed Indians in line cutting, in unloading requirements and so forth. This is the local labour force and as a consequence it has been utilized. Mobil Oil Canada, for instance, is another one that had a $10 million project in the Eagle Plains area of north central Yukon and it employed Indians in the immediate area—the old Crow Indians—quite extensively for line cutting and that type of work which requires very little skill and, as a consequence, they accommodate to it.

Western Minerals acted in the same area and have done the same thing. In other words, where the local labour source has been available and there has been a need for that type of labour they have, for their own benefit, sought the most immediate source rather than bringing people in to do something that people on the ground can do.

The only reason that the oil companies have not been able to pursue this employment requirement to the ultimate is because it is only part-time employment. They are only up there for 3 months; as a consequence they are staffed for 12 months a year work. They are normally deployed in the western provinces, normally skilled people, and they are equipped with permanent staff and their staff goes up there for three months and then comes back. There is no need to look for extra personnel.

Most of the work is highly skilled and there are technical requirements, and to provide that sort of training for only three months work for Eskimos and Indians is probably not immediately rational. So, we are just getting to the stage where the oil industry is beginning to have a continuous need. Panarctic is a case in point; 12 months a year now is its program and, as a consequence, it provides permanent 12 months employment for natives and, indeed, they are starting to do so.

Mr. MacDonald: At skilled levels, too.

Dr. Woodward: Yes.

The Chairman: Are there further questions from the Committee?

Can you, Mr. Godfrey or Dr. Woodward, compare the Arctic to the Middle East oil fields geologically? Is there some similarity? It seems to me I have heard there is a similarity between the two in some of the formations. Is this accurate?

• 1235

Mr. Godfrey: I will have to defer to Dr. Woodward, but I know the industry generally feels this is a very highly prospective area and the structures that have been seen to date are somewhat like the huge Middle East structures.

Dr. Woodward: There are two things that are similar to the Middle East. One is the nature of the outcrop, the Middle East being a true desert and the Arctic Islands being an Arctic desert, if you wish. As a consequence there is very little soil, the rocks are exposed at the surface. You can actually see the geological main. It is not under a glacial till which you have, say, between most of the provinces, where you have to feel for it by drilling, or by doing seismic work—indirect methods of exploration.

Here you can actually see the structures. Most of the surface structures have been mapped by aerial photographic means. Many of these structures are parallel, they are broad. They are three to five miles in breadth. Some of them have the longitudinal extension of 100 to 120 miles. It is these features which equate very closely to the characteristics in the Middle East fields. It is on that basis, with such large structures and such large receptacles for possibly accumulating oil, that has given rise to that analogy—you know, having been very commonly brought up. Of course, a lot of it is enthusiasm, but the physical comparison is valid and can be demonstrated.

The Chairman: On the question of leasing you have indicated that Panarctic, Mr. Taylor, was able to acquire pretty well all the leases it wanted. I am confusing the term lease with permit, but it has acquired all the permits it felt were additionally necessary since your consortium was originally set up. Now, my question is: Do you feel that because of this Prudhoe discovery other areas have opened up you might have wished to have leases on but you have been restrained,

perhaps from the point of view of finances or otherwise, in acquiring more than the 6 million you have acquired additionally? Do you feel that you got what you wanted? Is Dr. Sproules happy with what he acquired additionally? Are you all happy with what you have acquired additionally?

Mr. Taylor: Yes. Our staff has analysed all the area up there among the Islands and we are restricting our activities to the Islands, not on the mainland. On the Islands we do feel that we have the most prospective acreage.

The Chairman: You people have not looked at the Hudson Bay area at all, have you?

Mr. Taylor: No, we have not.

The Chairman: Therefore, it is a fact that Prudhoe has indirectly, I suppose, stimulated interest in the Hudson Bay area. Well, you simply had no plans there initially and you have not developed any?

Mr. Taylor: That is right.

The Chairman: And you have no intention of doing so.

Mr. Taylor: We have no intention at this time, Mr. Chairman.

Mr. Godfrey: Plus the fact that several of the participants in Panarctic are also operating oil companies on their own and operating elsewhere on their own. For instance, my particular company for example has acreage in...

The Chairman: With the new techniques used now, including computer techniques, is it not accurate to say that although the discovery at Prudhoe might have been one out of a hundred thousand, with a combination of seismic studies and computer techniques you can narrow down the choice of well sites a lot better than you used to be able to?

Mr. Godfrey: You can certainly define what we call a prospect better, because the instruments we now have are more improved. However, this does not tell you whether there is oil and gas there.

• 1240

The Chairman: It has not reached the stage of development where you can prospect with almost some certainty.

Mr. Godfrey: Regrettably, no.

Dr. Woodward: This is the difficulty; even in the past surface structures and subsurface structures needed to be found and the means of doing this are far more precise now. But we do not know whether this structure which is about as close as we can get is a potential trap—it is just the same as a couple of bushes out in the field that might be a good site for a few grouse to be waiting, but you can never be sure there are any there, so it does require the drilling eventually.

The idea, of course, is to be as selective as possible as Mr. MacDonald said before, and the idea is to run ahead with a seismic, evaluate and assess your acreage, pick out the most prospective sites and then confine your expensive drilling phase to the most prospective sites you are able to determine.

Mr. MacDonald: You are trying to reduce your risks, but you cannot eliminate them.

The Chairman: Are there any other questions, gentlemen? Mr. Southan do you have any questions?

Mr. Southam: I think not. As I said, Mr. Chairman, I came in late and I have been listening with great interest to the questions you directed to the witnesses. I feel, and I presume it is the feeling of other members of the Committee, that we have done a pretty fair exploratory job on the development in the North so far as Panarctic and other oil developments that are taking place are concerned.

The Chairman: I have one other question you might be able to answer. Would it be worthwhile for our Committee to go up North next summer to have a look at your operations?

Mr. MacDonald: I think that is a good idea.

The Chairman: Would there be sufficient operations...

Mr. MacDonald: We will try to bring in a well for you.

The Chairman: Good.

Mr. Godfrey: By next summer, say at the peak of the summer during the first two weeks in August, there should be at least two rigs and a seismic crew operating.

Mr. MacDonald: We took a group of the directors and press on a weekend flight up and even without much surface activity it was a tremendous experience for everyone. I

think by next year we will have a bit more and I think the Committee would enjoy the high Arctic.

The Chairman: When would be the best time to go? In late July or early August?

Mr. Godfrey: Do you want the best weather or do you want to really know what the elements are like?

Mr. McDonald: The Committee might be away a week or two.

Mr. Yewchuk: Mr. Chairman, may I make a motion that the Committee go in toto next summer to observe these developments first hand?

The Chairman: This will be considered by our steering committee. I think I sense a certain approval in the Committee for this idea, and if it is at all possible next summer I think the Committee would like to get up there.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I wonder whether it could be worked in with the Minister's northern tour. Is he going to continue having what has been called a northern tour?

Mr. MacDonald: Yes; we are running so many now I do not know which one you are referring to, Mr. Marchand, but some years ago we adopted the deliberate policy of trying to bring as many people, industry leaders, and press, to the North as part of our need to communicate the potentiality and I think it has paid off. Certainly having a parliamentary Committee up there would be a very vital part of this communication function.

Mr. Southam: Mr. Chairman, I think your incentive for going up North possibly was due to the fact that you and I and several other members of the Committee were exposed in 1966 to a wide area of the North and found it very informational, very educational and instructive. I would go along with this idea; if it could be arranged I would be in favour of it, Mr. Chairman.

• 1245

The Chairman: Good. Thank you very much, Mr. Taylor and Mr. Godfrey for coming here today. We have been happy to hear the industry's view of Panarctic and I think you were able to answer the questions we put to you to the satisfaction of members of the Committee. If we find that we need to have additional questions answered we will be in touch with you again next year.

Gentlemen, tomorrow we are going to have Mr. Thompson of the Alberta Law School who has done comparative studies on oil leasing policy.

APPENDIX J

(Article published in the
Montreal Gazette of
December 3, 1968)

Alaska governor's view

Canada's Arctic effort praised

WASHINGTON—(CP)—Gov. Walter Hickel of Alaska says Canada is doing "more in one year in their Arctic than the U.S. has done in 25 years in Alaska's Arctic."

"As you move north, you find the government has to lead more," says the Republican governor. "How do the Canadians open up their Arctic? Through leadership by their government in conjunction with private industry and capital."

Hickel's praise of the Canadian techniques, couples with brusque criticism of the U.S. attitude to their Arctic territory, is recorded in an interview with the weekly magazine U.S. News and World Report.

Canada and the Soviet Union see the market potential of the Pacific basin but the U.S. doesn't, says the man who has been given long-shot mention as secretary of the interior in President-elect Richard Nixon's administration.

He urges completion of the federally-owned Alaskan railway as far as the Arctic Ocean.

He also wants development on the north coast of a "composite area, a self-contained community where you have the things that Arctic villages don't have now."

"The Canadians have built as much railway in their Arctic in the last couple of years as we have built in the last 50."

Hickel says this is the only way to tap Alaska's petroleum, timber and fisheries wealth.

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

10

Government Publications

HOUSE OF COMMONS

First Session—Twenty-eighth Parliament

1968

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

Chairman: Mr. IAN WATSON

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

FRIDAY, DECEMBER 6, 1968

Revised Main Estimates (1968-1969)

Including

a) List of Witnesses,
b) Appendices printed,
c) Exhibit filed.

WITNESSES:

Dr. A. Thompson, Professor of Law, University of Alberta (Edmonton). *From the Department of Indian Affairs and Northern Development:* Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1968

29532—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Chairman: Mr. Ian Watson

Vice-Chairman:

and Messrs.

Badanai,	Howard (*Skeena*),	Nielsen,
Borrie,	Laprise,	O'Connell,
Buchanan,	Lessard (*Lac Saint-Jean*),	Orlikow,
Cullen,	Marchand (*Kamloops-Cariboo*),	Simpson,
Dinsdale,	McKinley,	Smerchanski,
Duquet,		Southam,
Forget,		Yewchuk—(20).

(Quorum 11)

Michael B. Kirby,
Clerk of the Committee.

(*Text*)

MINUTES OF PROCEEDINGS

FRIDAY, December 6, 1968.
(10)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.45 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Buchanan, Durante, Duquet, Lessard (*Lac-Saint-Jean*), Marchand (*Kamloops-Cariboo*), McKinley, O'Connell, Simpson, Watson, Yewchuk—(12).

Also present: Mr. Howe, M.P.

In attendance: Dr. A. Thompson, Professor of Law, University of Alberta. *From the Department of Indian Affairs and Northern Development:* Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

Mr. Bergevin tabled, for distribution to members of the Committee, material pertaining to questions raised in the course of the meeting of November 14, 1968, together with published information on the Canadian Wildlife Service.

The Committee also *agreed* that a map with overlays indicating the flyways which are in the path of Indian reserves be made an exhibit. (*Exhibit 1*)

The Committee resumed consideration of the following item listed in the Revised Main Estimates for 1968-69, relating to the Department of Indian Affairs and Northern Development:

20—NORTHERN PROGRAM—Administration, Operation and Maintenance, etc. $40,466,300

The Chairman introduced Dr. Thompson, who spoke on the question of Canada Oil and Gas Land Regulations.

Dr. Thompson was then questioned. A comment was made by Dr. Woodward during the questioning.

The Chairman thanked Dr. Thompson for his appearance before the Committee.

At 11.10 a.m., the Committee adjourned to the call of the Chair.

Fernand Despatie,
Acting Clerk of the Committee.

29532—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, 6 December, 1968

• 0946

The Chairman: Gentlemen, the meeting is called to order. I have been informed by the Department that they wish to table the answers to certain questions asked at some previous meetings.

Mr. J. B. Bergevin (Assistant Deputy Minister, (Economic Development) Department of Indian Affairs and Northern Development): The Deputy Minister will not be able to attend this morning as he had to take his wife to the hospital.

Mr. Chairman, when the Canadian Wildlife Service Estimates were discussed several questions were asked by Committee members and I am pleased to table this morning the material requested at that meeting. Mr. O'Connell requested an indication of the flyways in relation to Indian reserves. I have handed to the clerk as an exhibit a map with overlays indicating the flyways that are in the path of the Indian reserves.

I have also forwarded to the Clerk's office some published information on the Canadian Wildlife Service which he will distribute.

The Chairman: Thank you, Mr. Bergevin. Does the Committee agree that these answers be tabled?

Some hon. Members: Agreed.

The Chairman: We now resume consideration of Vote 20, Northern Program, listed in the Revised Main Estimates for 1968-69 relating to the Department of Indian Affairs and Northern Development, Administration, Operation and Maintenance, and so forth.

It is now a pleasure for me, gentlemen, to call upon Dr. A. Thompson, Professor of Law from the University of Alberta in Edmonton, who is one of Canada's acknowledged experts in oil leasing policies. He has done a number of comparative studies in oil leasing policies and we are most grateful to him this morning for his having come down here to address us on such short notice. We appreciate his generosity with his time very much.

Dr. Thompson, if you will address the Committee we will question you later.

Mr. A. Thompson (Professor of Law, University of Alberta, Edmonton, Alberta): Thank you, Mr. Chairman. May I begin by stating my qualifications to speak on this subject. I began studying oil and gas law in 1950 when I received a research grant from my university in order to gather what Canadian material was then available on the subject. Out of that initial research, in 1955 the three volume publication *Canadian Oil and Gas* came and this publication established David Lewis, Q.C. of Calgary and myself, as co-authors, as somewhat authorities in this field.

During the years since 1950 I have been a law teacher principally at the University of Alberta. There I teach oil and gas law to undergraduate students and I also teach oil and gas law courses to graduate students, most of whom come from foreign countries. Next month three Australians and one New Zealander are coming to Edmonton to begin the petroleum graduate program.

• 0950

I have had numerous articles published in legal periodicals, and in recent years they have been directed to questions of oil leasing policies of governments. I have written about the Australian off-shore petroleum code. I have done comparative work with respect to the oil laws in Alaska and in northern Canada. I have written about sovereignty in natural resources, and this subject has been very much a matter of my personal interest and concern. In addition to my teaching and research I practise as a consultant, giving legal opinions on oil and gas matters.

I have no direct experience as an oilman. I have never managed the expenditure of thousands of dollars in oil explorations, or had to account to shareholders or a parent company, and I am conscious of the danger of superficial comparisons between one geographic and economic region and another, but I believe that comparative study of the petroleum laws of different countries can be instructive in

examining old policies and formulating new ones. I hope I can be objective, and I warn you—as you will know—the subject is complex and on many questions I have not yet reached very firm conclusions.

My views are formed within certain parameters, I know that the industry operates on a world-wide basis. I know that the present system in Canada is based on private investment and that foreign capital is an integral part of the system. I know that private investment requires incentives proportionate to risks and I know that the public demands that there be no undue exploitation of publicly-owned resources.

I would like briefly to state my views on a few major questions arising under the Canada Oil and Gas Lands Regulations.

In an article in the *Melbourne University Law Review*, I wrote that in countries like Australia and Canada the extent to which the public interest is fostered by legislation regulating the petroleum industry may be tested by asking three main questions: Does the legislation serve a proper balance between the interests of the present generation in maximum exploitation at the present time and the interest of future generations in conservation and preservation of resources: Does the legislation achieve maximum revenue returns consistent with a desirable pace of exploration: Has the legislation served to balance on one hand the need for foreign investment to keep a petroleum industry flourishing, and on the other hand the need to maintain and foster the values of national sovereignty.

I would like to deal with the second and third of these questions first of all, sovereignty over resources. Section 55(2) of the Regulations is intended to Canadianize northern development. Apart from the question of whether I agree with or oppose this policy, I have strong reservations about the efficacy of Section 55. It is an invitation to good lawyers to exercise their ingenuity to devise means whereby their clients—foreign oil companies—usually at considerable expense, can reorganize their Canadian operations so as to comply in form with really no appreciable increase in Canadian content.

On the basic policy questions it seems to me that the Northern Mineral Exploration Assistance Regulations offer a more constructive approach than the negative approach of Section 55, but the drafting of regulations, the spirit of which cannot be evaded, remains a challenge to the legal advisers of government departments. I would not be confident that the Assistance Regulations are so watertight as to prevent assistance going to companies which lie outside the scope of those intended to be benefitted.

Restrictions on foreigners, particularly in the investment field, have a long history in this country as in other countries. You would be interested to know that the first Canadian restriction on oil leasing was imposed in 1914 in the then Department of the Interior Regulations. So far as I know, there is no published research into the many legislative attempts to restrict foreign investment and into their success or failure and I believe it is a subject of research that should be undertaken.

At the present time my view is that instead of restricting foreign entry into the northern oil lands, we should concentrate on ensuring that the terms of exploitation offered to developers, whether national or foreign, are in the public interest, not only now, but in the years to come. I will say more about this in a moment.

The second heading, Revenues and Incentives, involves balancing the highest revenue returns to the state with the highest incentives towards exploration and development assuming, of course, that your aim is rapid exploration and development. It is a highly complex question because it involves not only the leasing regulations, but also the income tax law, other tax laws, and the over-all fiscal and monetary regulations.

It should be realized that the provisions in the oil and gas leasing regulations for bonuses, rentals and royalties can offer far more direct, simple and flexible means for raising revenues for the state than any provisions of any taxing statute. Therefore, from the point of view of public revenues, it is worth while concentrating attention on the oil and gas legislation.

There are many incentive features in the regulations, and I am sure you are familiar with them. In my view I think I would sum them up by saying that all in all these incentives in the Canada Oil and Gas Land Regulations are substantially more generous than those offered in any other Canadian legislation, and more generous than those offered in many other parts of the world.

• 0955

I applaud these incentives provisions, but I do have some reservations. First, I am not convinced that these incentives play the key

role in attracting exploration capital that would justify offering them, even though in the long run they may prove to be detrimental to the public interest.

The oil discovery in Prudhoe Bay, Alaska has had far more incentive effect for the northern lands than any legislated incentives. It may be that these incentives have merely a marginal effect on the rate of exploration so long as they are not grossly out of line with those offered in other petroleum regions. I am just cautioning about the long-term effects of being overgenerous in incentives.

I have reservations about the wisdom of Oil and Gas Land Order No. 1—1961. In addition to providing an incentive to exploration by letting the permittee take the extra land that would otherwise fall back to the Crown, it means that the permittee can ordinarily blanket the discovery with leases and therefore there will be but one oil company as owner and operator of one oilfield. Unitization and the complex regulatory functions required where there are many owners of a single oil field are avoided. Further, the money that the permittee might otherwise have to spend on bonus bids at a public auction to acquire these lands can be spent on exploration. Ultimately the Crown should get its revenues through the additional royalty rates.

These are the claimed advantages, but these advantages are gained at a cost, and my reservation stems from doubt of whether the advantages outweight this cost. The cost is the loss by the Crown of the opportunity to offer for sale the portions of a permit which would otherwise be surrendered to the Crown when the permittee makes his lease selection. These portions can be semi-proven acreage if they lie alongside discovery leases, and they might attract large bonus bids—in the millions of dollars in the Alberta and western experience—but apart from that money factor competitive bidding brings market forces to bear and provides some assurance that fair current prices are being paid. There is a resultant public confidence that the oil resources are being exploited with a fair return to the public. There is an opportunity afforded to new ventures to get a toehold in attractive areas and the advantage of competition among the oil companies may offset the disadvantage of having more than one owner in an oilfield. I am taking your time to express these reservations because I hope thereby to make an important point. The point is that though these regulations are the best we can now conceive for stimulating exploration, the subject is exceedingly complex, and what wears well now may be a serious misfit in the future—and that future can change so fast.

● 1000

A year ago oil exploration in the North was almost at a standstill. Now Prudhoe Bay has set a pace of exploration that could scarcely be hotter. The Australians had barely completed their new offshore petroleum code, with highly attractive incentive provisions, when the Esso—BHP consortium made discoveries in 1967 and 1968 with their first offshore wells that will bring 300,000 barrels per day to the Australian markets by 1970.

I am firmly convinced that the most important provisions in the petroleum laws from the public interest point of view are those which deal with the duration of permits and leases and the entrenchment of royalty rates. If these are made excessively long, there will be public hostility and charges of monopoly, of undue exploitation and of a "sell-out" of resources. But if they are to endure only a reasonable time the public will more likely be satisfied that the oil resources are being properly husbanded, for excesses can then be corrected.

OPEC, which is the Organization of Petroleum Exporting Countries, and those are the countries of Venezuela, Indonesia and the Middle East countries, issued a Declaratory Statement of Petroleum Policy in Member Countries at its Baghdad meeting last month. I have only a draft of that statement for reference at the moment, but it is interesting the way it deals with duration and royalties. It says:

> Contracts between the government and an operator for the development of hydrocarbon resources shall be limited to a maximum period of 20 years, starting with the commencement of commercial production.

With respect to royalties,

> The government may at its discretion give a guarantee of fiscal stability to new operators up to a maximum of 10 years, to run from the commencement of production and commercial quantities under the contracts.

And in these countries, because royalties and income tax rates are insolubly tied together they talk in terms of fiscal stability.

Then they have another provision that says:

> Notwithstanding any guarantee of fiscal stability that may have been granted to the operator, the operator shall not have the right to obtain excessively high net earnings after taxes. The financial provisions of contracts which actually result in such excessively high net earnings shall be open to renegotiation.

These are simply aims, but my point is that there is evident a strong public demand that royalty rates particularly not be entrenched for too long a period of time.

In Alberta and British Columbia the permits and leases themselves provide that they are subject, as to terms and conditions and as to royalty rates, to changes that may from time to time be made in the laws or regulations. The Government of Alberta has undertaken that it will not review the royalty rates more often than every ten years and then the review takes place under a statutory ceiling, in that case of 16⅔ per cent on oil.

It seems to me that the Canada Oil and Gas Land Regulations provide for excessively long permits, with royalty rates too long entrenched. In the area south of Latitude 65° a permit may last for nine years without any area reduction, and then it may be entirely taken under leases for 20-year terms—a total of 30 years without discovery and without relinquishment of any acreage (subject, mind you, to deposit and rental payments which can in turn be offset by work credits on a grouping basis). In the far north the time is 35 years. When the land is proven productive and royalties must be paid, the lessee is entitled to have his lease reissued at the same royalty rate for a 21-year term from the date commercial exploitation begins. Theoretically, this reissue might occur in the thirtieth year of holding so that in effect the present royalty rates of 5 per cent for three years, 10 per cent thereafter, established in the regulations now could remain entrenched until the year 2019.

• 1005

So I conclude by saying that the right to revisit royalty rates at reasonable intervals can contribute to a climate of confidence that the petroleum resources are being justly exploited. It can also contribute to a climate in which the public will be prepared to accept investment capital without undue economic nationalism. This kind of climate is as much in the interests of developers, it seems to me, as it is in the interests of the state.

That concludes the general remarks I would make. I would be very pleased to answer questions. Thank you, Mr. Chairman.

The Chairman: Thank you very much, Dr. Thompson. Gentlemen, do we have some questions? I will lead off with some questions, then.

You mentioned initially Section 55 of the Canada Oil and Gas Land Regulations and you expressed some doubt about its efficacy. Could you explain a bit further?

Dr. Thompson: Yes. I made inquiry at a time when I was studying at Columbia University in New York in 1962 at the head office of one of the major international oil companies. They explained to me the difficulties that Section 55 had provided for them. It had taken considerable effort and had cost considerable money, but they had been able to reorganize their Canadian operations so as to qualify. It meant listing on the stock exchange, but I do not know—and mind you here my experience is limited and I am hesitant—what mechanism the department has, for example, to provide any follow-up on the extent to which the shares once listed are in fact traded. So that if the listing simply means that the company is now public and the shares are now listed but there is no likelihood of their being traded because they are held so tightly within the hands of the parent, I do not know what follow-up there can be. I think that it is a situation where the regulations are complied with in form, but maybe not in spirit.

The Chairman: How do you feel about the application of this section to permits as well as to leases? If we were able to overcome the deficiency which you just mentioned, do you feel that we should be insisting on this applying to permits as well as to leases in the Canadian listing?

Dr. Thompson: I should make my point of view clear. When I criticize Section 55, I am speaking, I think, from a technical point of view. I am not one who is excessively in favour of restriction in the first place. So that I am not likely to say that I would favour having this kind of restriction with respect to permits.

What I was trying to say was that given the viewpoint that such restrictions are necessary, then I think a much better job has to be

done, from a technical point of view, than is done under the current Regulations.

• 1010

I had occasion to see a number of these attempts. You may recall that the Pearson Government introduced a withholding tax differential if a company had a 25 per cent equity participation. This creates all kinds of stunts. I can remember one occasion where a U.S. subsidiary was reorganized so that there were four equity shares, one of which was held by the Canadian solicitor for the company. Thereby there was 25 per cent equity participation and the company would qualify for the differential benefit. My feeling is that we have not yet—I have not yet seen a workable system for effectively excluding foreign investment.

The Chairman: Mr. Badanai?

Mr. Badanai: Would the witness explain a little further the statement to the effect that our regulations are over-generous towards investors, especially foreign investors in Canadian explorations. What do you really mean by saying that our regulations are too generous?

Dr. Thompson: I say this in the context of the long entrenchment of the rights that are given. I do not object to these incentives because I think they are necessary to attract exploration and development, but I think that if you are going to provide generous incentives you must gain the ability to curb them when circumstances change, and my experience has been that circumstances can change.

Mr. Badanai: Can you point to any specific instance?

Dr. Thompson: I think that the Australians ruined the arrangement they made under the Offshore Petroleum Code, at least with respect to the Bass Strait.

The Chairman: Why? Would you explain why?

Dr. Thompson: Simply because—I think I have heard this opinion expressed—they consider that the terms are too generous for the amount of oil that has been discovered by one or two discovery wells. One has to realize that this is all hindsight. My point is not that that incentive should not have been offered. My point is that one should be in a position of flexibility so that if events turn out that could lead to a general public feeling that there has been undue exploitation, then there must be the mechanism for changing the rules of the game, particularly with respect to revenues.

Mr. Badanai: What changing would you recommend?

Dr. Thompson: The particular change that I recommend with respect to the Canada Oil and Gas Land Regulations is that there be introduced a variable royalty rate provision such as you find in the Alberta legislation and in the British Columbia legislation. The permit that is granted in these provinces simply says that the royalties shall be at such rates as may from time to time be specified by the Lieutenant Governor in Council. The provincial government has simply given an undertaking, not in any formal way, that is through legislation, that the rate will be looked at only every 10 years, but in the result that the government sits down with industry representatives every 10 years and reviews the situation, and if the rates are considered to be too low they are revised upwards.

The last revision was made in 1962. The next one will be made in 1972. In this way there is a control, as it were, over this basic element—revenues, so that there cannot be undue returns over a long, long period of time.

Thank you, Mr. Chairman.

The Chairman: Mr. Simpson.

Mr. Simpson: Dr. Thompson, I was going to ask if you could deal maybe just a little further with that aspect that you mentioned, because I am not familiar with this. A field is discovered and, as I understood it, there is a danger of it eventually being more or less a one-operator field. Do I understand that in your view it would be more desirable to have several operators in that field, when producing and, if so, what changes would be required in the regulations to bring this about?

• 1015

Dr. Thompson: Under the present regulations it is still possible for there to be more than one owner of an oil field because the permit boundaries may just happen to run through an oil field. But if the discovery lies entirely within the permit it can be blanketed by the permittee taking his ordinary leases up to 50 per cent and then acquiring the additional leases. I was suggesting that the advantage claimed, is a real one, namely that if you have one operator you do not have to

have an elaborate administrative structure such as is required when you have more than one operator. But then I was expressing reservation. I think that there is a value in competition among oil companies. One of the embarrassments the Australian legislators face at the moment is that there is just one company that has under its control the Bass Strait oil discoveries. Because this is the principal oil source in Australia at the moment, every time a legislative proposal is made it looks like a direct attack at that company, and any time that any improvement might be offered by way of legislation it looks like a direct benefit given to that company. One disadvantage of having a single operator in this situation is that it concentrates too much attention on the relations between the state and that particular company. But the other reasons I think are simply to the advantages of competition. If there is more than one company operating in the field different methods of production are stimulated and the advantages of competition operate.

Mr. Simpson: Could this advantage be arrived at by decreasing the size limit of the acreage the leases cover, or would this be advisable in your opinion?

Dr. Thompson: To give you an example of the sort of provision that contributes to more competition, the area reduction or relinquishment provisions tend to split up the acreage over the years and bring in more operators, so that when a discovery is made it is not likely to lie just within one permit area. Under the new Australian Common Code legislation the permits cover very large areas—10,000 square miles, but there is a relinquishment of 50 per cent after the sixth year and then every five years thereafter. In the sixth year the acreage would drop back to one half, in the eleventh year it would be back to one-quarter, and in the sixteenth year it would be back to one-eighth of the original area of the permit. Now we do not have any corresponding provisions in the Canada Lands regulations. There is only the one relinquishment time—that is, when you go to lease, and even then you can overcome the relinquishment proceeding by agreeing to take the extra leases on the additional royalty base. But this subject is all tied up with the size of the permits in the first place, and it is sometimes difficult to make comparisons.

• 1020

The Chairman: I have a supplementary. Would it be a conceivable disadvantage, Dr. Thompson, in the case of one company blanketing an oil field acquiring full control? Would it be a disadvantage conceivably in the case of iron ore to have a company sitting on a proven oil reservoir and deciding on its own that it would be wiser not to move it out but just to leave it sit there for a number of years? I compare this to the other situation where you might have two or three companies and because of the fact that there are two or three there would be more reason to move the oil out because one or the other might want to do so.

Dr. Thompson: This is the factor that enters into my consideration of the advantages of competition. The Alberta tar sands policy is such that it entertains applications by different companies. One of the requirements is that they more or less have to establish a market that will not interfere unduly with the market for conventional oil and there is then competition, as it were, encouraged by the companies to find markets that would not otherwise be available. The North is such a vast region, changing from the area that lies just a couple of hundred miles north of the Prairie boundaries where the conditions are simply the same as those that pertain up in Rainbow or Zama Lake in northern Alberta, to the opposite extreme of the operations way up in the Arctic islands, and one of my reservations concerns the wisdom of not differentiating more, as it were, in permit terms and lease terms between those areas that are just an extension of the Alberta oil fields and the areas that are on the other hand in the remote North. My point is that where a one-operator situation may be the only feasible one for the far North because of the problems of organizing for production facilities, transportation facilities and markets, such a policy may not be suited to the Mackenzie Valley.

The Chairman: Is secrecy a factor here at all? Does the fact that a company under the present regulations has the right to acquire the other 50 per cent of the leases within a grid allow that particular company to withhold from general knowledge certain details about that particular oil field which might otherwise become general knowledge, or are all oil companies eventually obliged to reveal what they have found to the government?

Dr. Thompson: In just about all the jurisdictions there are provisions giving the right to withhold information—not from the Government—but from other companies, and

there are terms in the Canada land regulations spelling out the right to have information remain secret for two years after discovery.

I think the answer to your question is that if an oil operator knows that the permittee has the right to take the additional acreage, it is going to be far less interested in finding out information about the area than if it knew that that area would come up for tender. The whole scouting profession is based on the idea that companies have to know what other companies are finding out by exploration and drilling because the time will come when that information is needed in order to go out and make an intelligent bid. If the situation is such that there is not much likelihood of anyone getting in on a discovery other than the discoverer, then of course that competition does not exist.

• 1025

The Chairman: Mr. O'Connell, do you have a question?

Mr. O'Connell: Thank you, Mr. Chairman. Some of my points have been very well covered in the subsequent discussions.

The witness has indicated two or three areas where he has serious reservations about the procedures followed in the North, one of which was in the area of ownership. If I understood him correctly, he was sceptical about the virtues of the regulations in that regard since they were so readily evaded. Then he went on to another area, the reservation system and the relinquishment of land and he found—I hope I am stating it correctly, because I am not so familiar with this field—that the policy is such that it may not be the best that could be chosen. Then he leaned heavily on the variable royalty rate as perhaps the area most open to modification in the public interest. I would like to ask, in view of those three areas, whether the Panarctic arrangement would modify your views (1) with respect to ownership, (2) with respect to the reservation system, and (3) with respect to your concern for variable royalties? Is it a technique that would modify your judgments?

Dr. Thompson: Let me take just a moment to collect my thoughts to answer this difficult question. I am happy that a system has been found to gain such large Canadian participation in northern development and I gather this could not have been done without the equity participation of the Federal Government, which is to be applauded.

On the matter of duration, an extent of areas under the control of Panarctic, I reflect that they have an empire that equals between a third and a quarter of all the leasable lands in the Province of Alberta. That corresponds to about 12 per cent of the land in Alaska. It is an enormous area. But on the other hand I reflect that it is so far away and there are no other prospects for exploration that I have heard of. These people have all put their acreages together and are taking a venture that no one else is prepared to undertake. So I do not object there.

I am concerned that ten years from now we may look back and think that we have given away our resources and mechanisms whereby it is possible to somewhat modify the incentives that you gave. This is very important and that is why I think I concentrated on the royalty idea. Even if otherwise you conclude that you created a new empire, if you can at least rewrite the revenue rates you can feel that things are under control. If you cannot you end up feeling like the people in the Middle East countries who consider that the potentates of a couple of decades ago gave away their birthrights under the concession agreements that run into the 1980s. I cannot really do better than to answer in that very waffly way.

• 1030

Mr. O'Connell: Thank you. Mr. Chairman, could I ask if the witness agrees that the type of geology present in the North is such that if oil is found it is likely to be in very large pools and to be very rich in quality.

Dr. Thompson: I do not have, of course, the technical expertise to answer that but I have certainly heard it expressed by people who were geologists that your statement is correct.

Mr. O'Connell: I would like to get a little more clarification. I thought a very interesting comment by Dr. Thompson was that there might well be a different way of approaching the relinquishment of permits at the leasing time in the sub-Arctic, if I could use that term loosely, as between that and the Arctic itself since the sub-Arctic might well be an extension of southern fields. Could you elaborate a little more and indicate what those distinctions would be in the reservation and relinquishment patterns?

Dr. Thompson: If I were to give some comparisons I think it might help. In that area the permittee can now hold the permit under that Canada Land Regulations for nine years.

Mr. O'Connell: Which area?

Dr. Thompson: In the Mackenzie Valley region, in the sub-Arctic region, a permittee can now hold the permit for a total of nine years before he has to go to lease and he can take under lease the whole acreage for another 21 years.

In Alberta at the present time the permittee can hold the permit for five years. In the sixth year he must drill. He then gets a lease for 10 years which is renewable only as to producing acreage and he can lease only up to 50 per cent, so in effect in Alberta half will come back at the end of six years. The remainder can be held only for 10 years and then all of it will come back that is not producing.

I accept that there should be more incentive in the Territories, but I wonder whether this gap is justified.

Mr. O'Connell: In view of the royalty situation, too, the two things seem to...

Dr. Thompson: They go together.

Mr. O'Connell: Yes.

Dr. Thompson: There is a charting book graphing these various royalty rates for the Canadian areas and the Canada Lands Rate certainly is the lowest.

Mr. O'Connell: You mentioned a very late date—I took a note of it but I cannot find it at the moment—where in the North the renewals could possibly carry one down a long way. Would you go over that please?

Dr. Thompson: Perhaps it is a fanciful situation. It assumes that a permittee holds his permit for nine years, the maximum time, before he goes to lease selection. Then he goes to selection and he can take all the acreage by agreeing to pay the additional royalty and the leases he acquires will have 21-year terms. That is 30 years. If in the thirtieth year he should being a well into production he is entitled to have his lease re-issued for a 21-year term from the date commercial production commences at the same royalty rates.

• 1035

Mr. O'Connell: Would you clarify "he must have a well in that year"? In a sense, the whole field is his. Could the well have been in any year other than the base year for renewal?

Dr. Thompson: Yes, the Regulation says that at any time commercial exploitation has commenced the lessee may apply for the reissue of his lease for 21 years more.

Mr. O'Connell: Thank you.

Dr. Thompson: What makes this an extreme illustration is that it assumes the commercial exploitation begins in the very last year of the lease.

Mr. O'Connell: Of the last well.

Mr. Simpson: I have a supplementary question just for my own information. It certainly will show that I am not familiar with this particular aspect.

You were saying, Dr. Thompson, that they would be able to apply for a lease for the production area only, as I understand it, or for the area of production?

Dr. Thompson: No. Lease selection does not require discovery under the Canada Oil and Gas Land Regulations.

Mr. Simpson: No, but I mean in the province. What I was getting at, aside from the Canada Lands Surveys Act, is how the area of production was determined. Mr. O'Connell just mentioned the field, and so on. Who determines this area that he gets the lease on in the area of production, or gets a lease for which is considered production?

Dr. Thompson: When a discovery well is drilled, the company's experts prepare for lease selection under Canada Oil and Gas Land Order No. 1 of 1961. They can take all the acreage by undertaking to pay the additional royalty, so they will certainly select all the acreage that overlies the prospective fields.

At this stage all they have to go on is their subsurface geology and their well. It is a guessing game as to exactly what the outlines of the pool discovery are, but within the area of their permit and their adjoining permits they will certainly select leases that leave no doubt that they have covered the formation.

Where you have no option of taking these leases but instead the Regulations say, as they do in Alberta, that 50 per cent in any township has to revert to the Crown and that your selection must be either on a checkerboard pattern or with corridors between leases, then it becomes a highly developed art of the land men in consultation with the company's geologists to make the most advantageous lease selection with reference to what they know

about the geology and where the field may be and they will spend a lot time time figuring out the various possibilities so that they get maximum coverage of the formation. The rest, then, goes back to the Crown.

Mr. Simpson: Thank you.

Mr. O'Connell: Mr. Chairman, I have one further question. Referring to the earlier remarks by Dr. Thompson, am I right in concluding that he took the position that incentives are not all that we might think they in getting oil exploration and development going? I thought an important point concerning perhaps an over-generous leasing system and rigidities in the royalty system depended upon the thesis that incentives were not, perhaps, the crucial factor. I would like him to elaborate a little on that.

• 1040

Let us assume that the Prudhoe discovery had not been made, since it is a recent thing and these regulations were drawn up prior to that time.

Dr. Thompson: I am going away out on a limb here when I make that statement. Partly I find myself in a pretty isolated position as an outsider of the industry and being a critic and I often try, I suppose, to be a devil's advocate.

In the press release by Panarctic I noticed they concluded by stressing the importance of the incentives, insisting that they hope governments will not change them, so I have no doubt that they are important to the oil people. I make these comments only because if I look back I think more often than not it has been other matters like a Prudhoe discovery or some other important factor that has triggered off a big exploration play and that perhaps these factors are more important than what you do in the legislation. At the same time I am not suggesting that the legislation does not have to be in the main stream. This does not mean that you could turn around and devise a system that was totally more severe than that pertaining elsewhere.

Mr. O'Connell: I have a supplementary, Mr. Chairman. Could the witness indicate the kind of incentives that were available to the people who made the Prudhoe discovery in comparison with the Canadian pattern?

Dr. Thompson: The Prudhoe Bay leases, so far as I know and I am not well informed on this, were taken under the U.S. Mineral Leasing Act. It is quite a different system. The basic lease under the United States Mineral Leasing Act is 10 years and I think this would be applicable, but the extension provisions can be of such a nature as to make that very misleading. In all fairness, I really cannot answer your question. I have not had the opportunity to study it closely enough in that area.

Mr. O'Connell: Thank you Mr. Chairman, would the witness say—and I think I remember correctly—that the Canadian regulations and the incentives are perhaps the most generous in the world?

Dr. Thompson: I would not make that broad a statement.

Mr. O'Connell: I am sorry. How far did you go?

Dr. Thompson: It is certainly the most generous in Canada, I think, and more generous than in many other parts of the world.

Mr. O'Connell: Even though you are not prepared to be too specific about the Alaska Regulations, and so on, would your comment still include that—more generous than other parts of the world, including the American North?

• 1045

Mr. Thompson: Why I am so hesitant in answering is that the Mineral Leasing Act includes provisions whereby unitized operations can be undertaken under terms which are in the discretion of the administering agency. I do not know the extent to which the Prudhoe operation falls under these provisions and the etxent to which these terms and conditions are different from those which are laid out as the standardized terms in the Mineral Leasing Act. That is why I am so much in the dark.

Mr. O'Connell: How would an interested person go about finding out?

Dr. Thompson: I think by making an inquiry directly to the people responsible for the administration of the federal Mineral Leasing Act in Anchorage, or in Washington.

The Chairman: Dr. Yewchuk?

Mr. Yewchuk: I want to ask a fairly basic question. This field of exploration, and so on, is entirely new to me and I wondered what the actual difference was between a permit and a lease. You start off with a permit, I

understand, and this allows you to do certain things, and a lease allows you to do certain other things. What are these things?

Dr. Thompson: The terminology is not important. In some areas they are called reservations or exploration licences. The idea is that you should have two stages. One stage is when large acreages may be held at very low cost, during which time you undertake your primary exploration. Then at a certain time that stage should be converted into a second stage, and that second stage becomes the lease stage.

Mr. Yewchuk: What do you mean by primary exploration? Is this seismic work, or what?

Dr. Thompson: Everything up to and even ultimately including the drilling of a well.

Mr. Yewchuk: The permit allows you to do this?

Dr. Thompson: Yes.

Mr. Yewchuk: What about the lease? What do you do then?

Dr. Thompson: You get two streams. Under the Australian legislation you are not entitled to go to lease except on discoveries. The idea then is that the initial stage is exploration and the second or lease stage is development. You have found oil and now you are going to develop the field and produce it. However, under the system generally prevailing in Canada, in the provinces and the territories, the right to lease is considered to be what you earn for the exploratory work you have done, whether you have made a discovery or not. We will say that you hold the land under the permit for nine years. During this time you evaluate it, you may even drill a test well and the test well may be a duster, but you are still entitled to make lease selection. The difference now is that when you go into lease you are going to pay more to hold the land. The rentals are higher on your lease than they are under the permit.

Mr. Yewchuk: But with that kind of a set-up you get a lesser quantity of land.

Dr. Thompson: Ordinarily you get a lesser quantity of land. You are required to give up half of your permit.

Mr. Yewchuk: The way it is set up, then, you do not actually have to have a well producing for 30 years from the first time you take out your permit. Is that right?

Dr. Thompson: That is correct. All you have to do in order to hold your interests—without having found oil and be producing it—is to do the exploratory work to the value of the deposit fees and pay the rentals. However, there is a provision in the regulations whereby the Department can require a lessee after the third year of the lease to drill a well. The experience in Alberta has been that although they had such a drilling provision they never exercised it.

Mr. Yewchuk: I know that we had Panarctic before us yesterday and although, I do not recall what the figures were, I understand this company is partly owned by the federal government. What is the percentage of their ownership?

The Chairman: It is 45 per cent.

Mr. Yewchuk: This would put a different slant on the royalties that the public draws because nearly half of this company is owned by the public.

Dr. Thompson: Yes, this is a factor to be taken into consideration with respect to Panarctic.

• 1050

Mr. Yewchuk: Do these gas and oil regulations apply principally to Panarctic or do they apply to anybody at all who wants to go in there?

Dr. Thompson: Oh, no, these regulations are designed to apply right through the pan of the lands, which includes the North and the offshore East and West Coast waters as well.

Mr. Yewchuk: As far as I can recall from the maps I saw yesterday Panarctic has taken out leases on most of these Arctic islands; there are almost none left to be leased out.

Dr. Thompson: A substantial part of it. I am not sure what percentage it would represent.

Dr. Woodward: Just to correct the impression that may be left, right now Panarctic has permits; it does not have leases.

Mr. Yewchuk: Yes. I am sorry, I used the wrong phrase. Have you ever calculated what the royalties would actually be to the private enterprise part of Panarctic and then compared them to the set up in Alberta.

Dr. Thompson: The leases, which they have the right to select, carry a flat 10 per cent royalty. If the same land were located in Alberta, where there is a varying royalty schedule depending upon the producibility of the well, the royalty might range up to as high as 16⅔ per cent. If one were then to assume that the wells drilled in the Panarctic regions would be high producers and would attract the highest end of the royalty schedule in Alberta, the rate would be 16⅔ per cent. On the other hand, if the wells turned out to be relatively small producers and were in Alberta, the low end of the rate is 8 per cent. So you can see it is difficult to make comparisons. You are in the area of conjecture.

Mr. Yewchuk: The point I was really trying to make is the fact that in Alberta all the private enterprise companies pay a royalty of 16⅔ per cent or whatever it is but in the case of Panarctic the government owns 45 per cent of it. This really means that these private enterprise companies are paying more than 10 per cent royalties if you just take their share of the development, if you work out a ratio. As I understand it, the federal government, because it is a partner, is also investing in it.

Dr. Thompson: I am not too sure if your point is well taken, because the federal government is paying for its equity share and it is earning its half. In effect, then, the rate which applies to the private investors in the consortium is the 10 per cent rate.

Mr. Yewchuk: Yes, I understand. Thank you.

Mr. Simpson: I think this is a fair question. Could you express an opinion as to whether you think the sums paid to take out these permits are set at a reasonable figure. Should they be higher when comparison with other interesting discovery areas around the world?

Dr. Thompson: No, I think they are comparable. I think the Australian rate works out to 20 cents per square mile per year, which I think is comparable.

Mr. Simpson: I assume you would suggest that consideration be given by Parliament or this Committee to a reassessment of the agreements which are being drawn up with different permit holders in relation to a scale of royalties?

• 1055

Dr. Thompson: Yes. I do not expect that existing permits and leases can be changed. I think this brings a justifiable reaction on the part of the permitees that the bargain that was made has been violated. I am really talking about the change in regulations that would effect new permits and leases that are to be granted.

Mr. Simpson: Very good. I have just one further question because I know other people have questions, and it relates to the last question that Dr. Yewchuk asked.

As Panarctic apparently has a considerable area, which I understand the oil industry feels could be generally a desirable area, in the Arctic islands and they have considerable holdings at the present time with respect to the oil and gas regulations, do you consider, that any agreements that we now have with Panarctic could not be changed? Have they taken these out to an extent that they automatically come in under these regulations? If they find anything are their regulations with regard to royalties now determined in that whole area?

Dr. Thompson: The regulations are on the books with respect to the permits they hold. I think any change in terms would have to be made within what the regulations now provide, or it would amount in fact to a sort of a confiscation.

Mr. Simpson: All I was trying to determine was whether it was—and I agree that you cannot start changing agreements that have been made—considered that the agreements are made at the time they make a discovery and then go into leasing or whether the whole thing starts when the permit is taken out.

Dr. Thompson: It starts with taking out the permit to the extent that the regulations give you the right to go to lease.

Mr. Simpson: That is fine. Thank you.

Dr. Thompson: It would depend on the terms, I think, that are stated in the regulations.

The Chairman: Can you give us a brief comparison of the effect of the royalty rates plus our tax system on the revenue which the Canadian people receive as compared to the revenues, for example, which the people of Venezuela receive when they lease an oil

well to a foreign company or a Middle Eastern country does the same thing? Let us take the case of France with the additional factor of a government oil company there. Are you able to make these comparisons for us?

Dr. Thompson: I can only say that I have seen figures prepared by the industry, but prepared for their own purposes, which showed what it cost in terms of payments to governments relating to different areas. A figure of around 50 per cent is what appears. It was interesting to see that the Alberta figure was the highest of them all. It was on the order of approximately 60 per cent. I have forgotten the precise figure. That is, if you were to compare what the industry pays to government, including taxes, royalties, bonuses and rentals in various parts of the world the Alberta figure would come out on top.

The Chairman: Where would the Canadian figure be in this, slightly below Alberta but above the world average?

Dr. Thompson: I would venture to say that there is just not enough experience, because as yet there is not any oil production to result in anything but the wildest guesses, but I would imagine that they are looking at them as being comparable to what generally prevails in the area of, say, 50 per cent.

• 1100

The Chairman: The normal income tax for companies is 50 per cent, is it not, plus the 10 per cent royalty less, I would imagine, some depletion? Is that the way you arrived at this figure?

Dr. Thompson: Yes, what they do is to assign a figure for the value of the oil, take off roughly half as the operating producing costs, and then find out where the other half goes. That other half goes in taxes and the tax rates involve the rates and the depletion allowances and what not, and then royalties. I am sure these are only the roughest kinds of estimates because of the complexities of the tax systems.

Mr. O'Connell: Mr. Chairman, I would like to ask one other question. I believe that Dr. Thompson, in citing earlier the range of his scholarly interest in this field, indicated some studies in sovereignty. Am I correct? I wonder if they led him to consider the question of aboriginal land rights in situations where there would be oil exploration and development programs, whether in Australia, where you have done some scholarly work, or in Canada. If you can I would like you to answer that question with reference to the Canadian North.

Dr. Thompson: I have not made any such studies. It is a matter that I would like very much to investigate. The land claim situation in Alaska is of great importance and significance at the present time, and under the research grant that I now hold to study comparatively Alaska and Northern Canada, one of the areas I want to investigate is just how the native claims matter is being dealt with in Alaska. I am sure it would be of interest in terms of native claims in northern Canada, but I cannot answer your question now.

Mr. O'Connell: Do you know whether there are any studies in Canada, governmental or otherwise, into this question?

Dr. Thompson: I do not know.

Mr. O'Connell: Is your own study a university-based study, directed by your own interest, or is it a requested study?

Dr. Thompson: It is my own interest. The support I have is from the new Institute of Law Research and Reform that was established at our university last year and it provides for research grants on application.

Mr. O'Connell: I gather that you will be looking at this question of native land rights with respect to oil and resource development.

Dr. Thompson: That is one of the matters I am interested in, and my plans are to spend a month in Alaska this next spring.

Mr. O'Connell: Thank you.

The Chairman: Do you have any opinions, Dr. Thompson, on the comparative benefits of tax incentives? Do you feel, for example...

Mr. O'Connell do we have a motion from you?

Mr. O'Connell: What do you want a motion for?

The Chairman: To adjourn.

Mr. O'Connell: I am sorry; I have to leave, Mr. Chairman.

Mr. Simpson: I have to leave, but I would not want a motion to adjourn yet.

Mr. Chairman: No, it is fine, I have a question and you have a question. I would like...

Mr. Simpson: No, I have something that I just would like to ask the meeting.

The Chairman: Would you mind waiting?

Mr. O'Connell: All right; I will wait.

The Chairman: I would just like to know, sir, whether you have any particular opinion on the suggestion that has been made that by allowing non-oil and gas Canadian industry to write off risk investment in oil and gas exploration or mineral exploration in our North, this would be an advantageous tax incentive. Do you have an opinion on this?

● 1105

Dr. Thompson: I am sure it would be a very great incentive to risk capital in oil exploration.

The Chairman: In your view, would this encourage more Canadian participation in this field in Canada?

Dr. Thompson: I would think so; that certainly is the experience in the United States. This kind of incentive brings in a lot of capital that is not traditionally oil capital.

The Chairman: Thank you. Mr. Simpson?

Mr. Simpson: My point is distinct from our oil and gas discussion. I understand we probably have to adjourn very soon to attend the House and I am sorry that some of the other members had to leave for the House, but I wanted to bring something up. I had made a commitment to bring this up and I certainly do not intend to step on the toes of any members here, particularly the Chairman, because I think this perhaps comes from his area.

I had a request from an Indian group, from Caughnawaga, who said that they would like to be heard by this Committee some time; I understand some time after Christmas. I want the Committee to consider this, and decide whether they will have time after Christmas to see these people, or whether this is acceptable to the Committee. You may have had the same request, Mr. Chairman, so I am not upstaging you by putting it on. I was just asked to do this.

The Chairman: As a matter of fact, I have not had this request forwarded to me, but we will take up this particular request in our steering committee as we have done with other similar requests.

I think it would be fair to point out to any group wanting to meet with this Committee that we will be seized with the consideration of the Indian Claims Commission bill, presumably shortly after Christmas, and we will also be seized with the revisions to the Indian Act, presumably late in the spring, and we will be consulting Indian groups across Canada on these two items, so I presume we will be available to see any group from anywhere in Canada.

I think it will be a normal proviso that the people we meet should be representative of the reserve from which they come, or that they have some special brief to submit to us.

I wonder if we could have the permission of the Committee to formulate plans for a visit to the Northwest Territories in late January. Does everybody agree?

Some hon. Members: Agreed.

The Chairman: We will make the necessary plans for a visit to Yellowknife in late January, provided we can have the annual report of the Department referred to us and I have had an unofficial assurance from the Minister that this will be done. This will give us the opportunity to go up there with something before the Committee, if this is agreeable to everyone.

Some hon. Members: Agreed.

Mr. Simpson: Before we adjourn, I note our Chairman is very anxious to thank Dr. Thompson, but speaking for myself and, I am sure, for the members of the Committee, we are very pleased to have had the opportunity of discussing this very important matter with you. We are only sorry that we are not able to be here longer to get more of your views. Thank you, very much.

Some hon. Members: Hear, hear.

The Chairman: Again, thank you, Dr. Thompson.

LIST OF WITNESSES

Witnesses	Issue No.
The Hon. Jean Chrétien, Minister of Indian Affairs and Northern Development	5 and 6
From the Department of Indian Affairs and Northern Development:	
Mr. J. A. MacDonald, Deputy Minister	6, 7, 8, 9 and 10
Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation)	4, 6 and 7
Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development)	5, 9 and 10
Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development)	9 and 10
Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs)	5, 6, 7 and 8
Dr. D. A. Munro, Director, Community Affairs Branch, (Social Affairs)	4
Mr. O. N. Zakreski, Superintendent, Vocational Training and Special Services (Social Affairs)	6 and 7
Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs)	7
From the Department of Manpower and Immigration:	
Mr. J. P. Francis, Assistant Deputy Minister (Manpower)	7 and 8
From the Northern Canada Power Commission:	
Mr. J. A. MacDonald, Chairman	2 and 3
Mr. E. W. Humphrys, General Manager and Chief Engineer	2 and 3
Mr. C. Prevey, Assistant General Manager	2 and 3
Mr. T. Stott, Treasurer	2 and 3
From the Northern Transportation Company Limited:	
Mr. W. M. Gilchrist, President	3
Mr. R. C. Powell, Secretary	3
Mr. W. B. Hunter, General Manager	3
From the National Indian Brotherhood:	
Mr. Walter Deiter, President	8
Mr. Stan Daniel, President of the Metis Association of Alberta	8
From Panarctic Oils Limited:	
Mr. J. M. Taylor, President	9
Mr. J. M. Godfrey, Vice-president	9
From the University of Alberta (Edmonton):	
Dr. A. Thompson, Professor of Law	10

LIST OF APPENDICES

Appendix	Title	Issue No.
A	Revised Main Estimates 1968-69 relating to the Department of Indian Affairs and Northern Development, Northern Canada Power Commission and Northern Canada Transportation Company Ltd.	1
B	List showing Comparison of Revenue and fuel costs for the year 1965-66	3
C	Rate comparison of residential and commercial small diesel plants at some northern communities	3
D	Monthly rate schedules at Fort Simpson, Fort Smith, Yellowknife and Hay River	3
E	Comparison of Hay River rates with other northern communities	3
F	Comparison of some Yukon Electric rates and Northern Canada Power Commission rates in Dawson City	3
G	Memorandum by the Northern Transportation Company Ltd.	3
H	Indians and the Law—by the Department of Indian Affairs and Northern Development	6
I	Answers to some questions asked by Members of the Committee at earlier meetings	8
J	Canada's Arctic effort praised—from the Montreal Gazette	9

EXHIBIT

No.	Title	Tabled in Issue No.
1	A map of Canada (scale 100 miles to one inch) with overlays showing the fly-ways of migratory birds which cross Indian reserves	10

OFFICIAL REPORT OF MINUTES

OF

PROCEEDINGS AND EVIDENCE

This edition contains the English deliberations and/or a translation into English of the French.

Copies and complete sets are available to the public by subscription to the Queen's Printer. Cost varies according to Committees.

Translations under the direction of the Bureau for Translations, Secretary of State.

ALISTAIR FRASER,

The Clerk of the House.

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY APR 1 1969 UNIVERSITY OF TORONTO

No. 11

THURSDAY, JANUARY 23, 1969

MONDAY, MARCH 10, 1969

LE JEUDI 23 JANVIER 1969

LE LUNDI 10 MARS 1969

Respecting

BILL C-153,

An Act to amend the Historic Sites and Monuments Act.

And including:

First Report to the House.

Concernant

Le BILL C-153,

Loi modifiant la Loi sur les lieux et monuments historiques.

Y compris:

Premier Rapport à la Chambre.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29967—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs.
et Messieurs

Borrie
Buchanan
Cullen
Deakon
Dinsdale
Duquet
Givens
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
[1] Nielsen
O'Connell
Orlikow
Simpson
Southam
[2] Thomson (*Battleford-Kindersley*)
Yewchuk

Le secrétaire du Comité,

Michael B. Kirby,

Clerk of the Committee.

Pursuant to S.O. 65(4)(b)

[1] Replaced Mr. McKinley on March 4, 1969.
[2] Replaced Mr. Burton on March 7, 1969.

WEDNESDAY, March 12, 1969

The Standing Committee on Indian Affairs and Northern Development has the honour to present its

FIRST REPORT

Your Committee has considered Bill C-153, An Act to amend the Historic Sites and Monuments Act, and has agreed to report it without amendment.

A copy of the Minutes of Proceedings and Evidence relating to this bill (*Issue No. 11*) is tabled.

Respectfully submitted,

IAN WATSON,
Chairman.

Conformément à l'article 65(4)(b) du Règlement

[1] Remplace M. McKinley le 4 mars 1969.

[2] Remplace M. Burton le 7 mars 1969.

Le MERCREDI 12 mars 1969.

Le Comité permanent des affaires indiennes et du développement du nord-canadien a l'honneur de présenter son

PREMIER RAPPORT

Le Comité a étudié le Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques et est convenu d'en faire rapport sans modification.

Un exemplaire des procès-verbaux et témoignages relatifs à ce bill (*fascicule n° 11*) est déposé.

Respectueusement soumis,

Le président,
IAN WATSON.

ORDERS OF REFERENCE

FRIDAY, December 20, 1968.

Ordered,—That the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year ended March 31, 1968, tabled in the House on Thursday, December 5, 1968, be referred to the Standing Committee on Indian Affairs and Northern Development; that the Committee be empowered to adjourn from place to place and that the Clerk of the Committee and the necessary supporting staff accompany the Committee.

MONDAY, January 20, 1969.

Ordered,—That Bill C-153, An Act to amend the Historic Sites and Monuments Act be referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ORDRES DE RENVOI

Le VENDREDI 20 décembre 1968.

Il est ordonné,—Que le rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année terminée le 31 mars 1968, déposé à la Chambre des communes le jeudi 5 décembre 1968, soit renvoyé devant le comité des affaires indiennes et du développement du Nord canadien; que le comité soit autorisé à se réunir à divers endroits; que le secrétaire du comité et le personnel de soutien accompagnent le comité.

Le LUNDI 20 janvier 1969.

Il est ordonné,—Que le Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques, soit déféré au comité permanent des affaires indiennes et du développement du Nord canadien.

ATTESTÉ:

Le Greffier de la Chambre des communes,

ALISTAIR FRASER,

The Clerk of the House of Commons.

29967—1½

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, January 23, 1969.
(11)

The Standing Committee on Indian Affairs and Northern Development met this day at 5:15 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Buchanan, Burton, Cadieu, Cullen, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), Orlikow, Simpson, Smerchanski, Southam, Watson, Yewchuk—(14).

Also present: Mr. Erik Nielsen, M.P.

In attendance: From the Department of Indian Affairs and Northern Development: Mr. J. B. Bergevin, Assistant Deputy Minister (Development); Mr. A. B. Yates, Assistant Director, Territorial Relations Branch; Miss Marina Robillard, Parliamentary Returns Officer.

The Clerk of the Committee circulated the itinerary for the Committee's visit to the West Arctic from January 26 to February 1, 1969.

The Chairman outlined the itinerary briefly as follows:

Sunday, January 26, 1969, Ottawa/Calgary.

Monday, January 27, 1969, Calgary/Yellowknife.

Tuesday, January 28, 1969, Half of the Committee; Yellowknife/Coppermine/Yellowknife; Half of the Committee, Yellowknife/Fort Rae/Yellowknife.

Wednesday, January 29, 1969, Yellowknife/Norman Wells/Dawson City/Whitehorse.

Friday, January 31, 1969, Whitehorse/Watson Lake/Calgary.

Saturday, February 1, 1969, Calgary/Ottawa.

(*Traduction*)

PROCÈS-VERBAL

Le JEUDI 23 janvier 1969
(11)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit aujourd'hui à 17 h 15. Le président, M. Watson, occupe le fauteuil.

Présents: MM. Borrie, Buchanan, Burton, Cadieu, Cullen, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), Orlikow, Simpson, Smerchanski, Southam, Watson et Yewchuk—(14).

De même que: M. Erik Nielsen, député.

Aussi présents: du ministère des Affaires indiennes et du Nord canadien: M. J.-B. Bergevin, sous-ministre adjoint (développement), M. A. B. Yates, directeur adjoint aux Relations territoriales, et M[lle] Marina Robillard, agent des Rapports parlementaires.

Le secrétaire distribue l'itinéraire du voyage que le Comité effectuera dans l'Ouest arctique du 26 janvier au 1[er] février 1969.

Le président expose brièvement l'itinéraire ainsi qu'il suit:

Le dimanche 26 janvier 1969, Ottawa-Calgary.

Le lundi 27 janvier 1969, Calgary-Yellowknife.

Le mardi 28 janvier 1969, le Comité se subdivise en deux groupes. Le premier groupe va à Yellowknife-Coppermine-Yellowknife.

Le deuxième groupe va à Yellowknife-Fort Rae-Yellowknife.

A compter du mercredi 29 janvier 1969 le Comité au complet va à Yellowknife-Norman Wells-Dawson City-Whitehorse.

Le vendredi 31 janvier 1969, Whitehorse-Watson Lake-Calgary.

Le samedi 1[er] février 1969, Calgary-Ottawa.

The Chairman announced that the Committee would be meeting with both Territorial Councils and made several other announcements concerning the Committee's tour.

Mr. Gundlock drew the attention of the Committee to the presence of Mr. Manychief and Mr. Peters from the Blood Reserve in Western Canada. The Chairman and members of the Committee welcomed the visitors.

On motion of Mr. Borrie, seconded by Mr. Buchanan, it was

Resolved,—That Mr. Paul St. Pierre be elected Vice-Chairman of this Committee.

The Chairman invited Mr. Nielsen to address the Committee on the question of clothing to be worn in the far north. Mr. Yates was also questioned on this matter.

At 5:45 p.m., on motion of Mr. Gundlock, it was

Agreed,—That the Committee adjourn to the call of the Chair.

At 5:45 p.m. the Committee adjourned at the call of the Chair.

Le président annonce que le Comité rencontrera les deux Conseils territoriaux et communique certains autres détails afférents au voyage du Comité.

M. Gundlock attire l'attention du Comité sur la présence de M. Manychiefs et de M. Peters, tous deux de la réserve *Blood,* dans l'Ouest canadien. Le président et les membres du Comités souhaitent la bienvenue à ces visiteurs.

Sur une motion de M. Borrie, appuyé par M. Buchanan,

Il est décidé—que M. Paul Saint-Pierre soit élu vice-président du Comité.

Le président prie M. Nielsen de dire quelques mots au Comité sur la question des vêtements à porter dans le grand Nord. On pose également quelques questions à M. Yates, à ce sujet.

A 17 h 45, sur une motion de M. Gundlock,

Il est convenu—Que le Comité s'ajourne jusqu'à nouvelle convocation du président.

MONDAY, March 10, 1969.
(12)

The Standing Committee on Indian Affairs and Northern Development met this day at 3.50 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Corbin and Burton.

Witnesses: From the Department of Indian Affairs and Northern Development; Mr. J. H. Gordon, Senior Assistant Deputy Minister, (Conservation); Mr. J. I. Nicol.

LUNDI 10 mars 1969.
(12)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit cet après-midi à 3 h. 50, sous la présidence de M. Watson.

Présents: MM. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, Saint-Pierre, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Corbin et Burton.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. H. Gordon, sous-ministre adjoint senior (Conservation); M. J. I. Nicol, directeur,

Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

The Chairman tabled answers supplied by the Department of Indian Affairs and Northern Development which had been prepared in reply to questions asked by Members of the Committee at an earlier meeting and it was *agreed*—that they be printed as an appendix to this day's Minutes of Proceedings and Evidence (*See Appendix "K"*).

The Chairman read the Second Report of the Subcommittee on Agenda and Procedure which is as follows:

> Your Subcommittee met on Friday, March 7, 1969, to discuss a possible agenda for your Committee up to the Easter holidays.
>
> Your Subcommittee recommends that the Committee hold the following meetings:
>
> *On Monday, March 10, 1969* to discuss and examine the following subjects:
>
> 1. Bill C-153, An Act to amend the Historic Sites and Monuments Act.
> 2. Historic Sites, Vote 35.
> 3. National Battlefields Commission —Vote 45.
>
> *On Tuesday, March 11, 1969,* to discuss Handicrafts.
>
> *On Thursday, March 13, 1969* to discuss the question of Hydro Electric Power in the Yukon.
>
> *On Tuesday, March 19, 1969* it is your Subcommitte's hope that Dr. D. W. Carr, the Chairman of the Carr Commission and Professor Anderson of the Carr Commission Staff could appear and be questioned about Power in the Yukon.
>
> As a result of these two meetings on power, the Subcommittee could meet

Direction des parcs nationaux et des lieux historiques; M. P. H. Bennett, directeur adjoint (Lieux historiques), Direction des parcs nationaux et des lieux historiques; M. P. B. Lesaux, chef de la Division de l'exploitation, Service des lieux historiques nationaux, Direction des parcs nationaux et des lieux historiques; M. L. H. Robinson, directeur régional, région de l'Atlantique, Direction des parcs nationaux et des lieux historiques.

Le président dépose les réponses fournies par le ministère des Affaires indiennes et du Nord canadien et préparées en réponse aux questions posées par les membres du Comité lors d'une séance précédente, et il est *convenu* de les faire imprimer en appendice au procès-verbaux et témoignages de ce jour (*Voir Appendice «K»*).

Le président lit le deuxième rapport du sous-comité du programme et de la procédure, à savoir:

> Le sous-comité s'est réuni le vendredi 7 mars 1969 pour établir un programme possible pour le Comité jusqu'aux vacances de Pâques.
>
> Le sous-comité recommande que le Comité organise ses séances de la façon suivante:
>
> *Le lundi 10 mars 1969,* pour examiner les questions suivantes:
>
> 1. Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques.
> 2. Lieux historiques—crédit 35.
> 3. Commission des champs de bataille nationaux crédit 45.
>
> *Le mardi 11 mars 1969,* pour examiner la question de l'artisanat.
>
> *Le jeudi 13 mars 1969,* pour examiner la question de l'énergie hydroélectrique dans le Yukon.
>
> *Le mardi 19 mars 1969,* le sous-comité espère que M. D. W. Carr, président de la Commission Carr, et le professeur Anderson, membre de cette Commission, pourront comparaître devant le Comité et répondre à des questions au sujet de l'énergie dans le Yukon.
>
> A la suite de ces deux réunions sur l'énergie, le sous-comité pourrait

to discuss the possibility of a report or further hearings.

Some Members of the Committee have expressed the desire to hear further witnesses on the question of oil leasing in the Northwest and Yukon Territories and experts will be called to appear before your Committee on Thursday, March 20, 1969. The names of the experts will be announced at a later date.

On motion of Mr. St. Pierre it was—

Agreed—That the Second report of the Subcommittee on Agenda and Procedure be concurred in.

The Chairman then read the Third Report of the Subcommittee which is as follows:

For some time many Members of the Committee have expressed the hope that the Committee could visit the reserves about the country.

Your Subcommittee feels that it is impossible and that it would be undesirable for the full Committee to visit each reserve and feels that a few Members visiting different parts of the country would be much more effective.

It is recommended therefore, that the Committee be divided into four Subcommittees, each to be made up of five Members. It is envisaged by your Subcommittee on Agenda and Procedure that each Subcommittee would visit a different part of the country.

Accordingly, your Subcommittee recommends that Subcommittee No. 1 be headed by the Chairman of the Committee and that it visit reserves in Quebec and the Maritimes. That Subcommittee No. 2 be headed by Mr. O'Connell and visit Ontario. That Subcommittee No. 3 be headed by Mr. St-Pierre and visit Manitoba, Saskatchewan and Alberta. That Subcommittee No. 4 be headed by Mr. Marchand (*Kamloops-Cariboo*), and visit British Columbia.

se réunir pour étudier la possibilité de faire un rapport ou d'organiser d'autres audiences.

Des membres du Comité ayant exprimé le désir d'entendre d'autres témoins sur la question des concessions pétrolières des Territoires du Nord-Ouest et du Yukon, on demandera à des experts de comparaître devant le Comité le jeudi 20 mars 1969. Les noms de ces experts seront annoncés ultérieurement.

Sur la proposition de M. Saint-Pierre,

Il est convenu—Que l'on accepte le deuxième rapport du sous-comité du programme et de la procédure.

Le président lit ensuite le troisième rapport du sous-comité, à savoir:

Depuis quelque temps, bien des membres du Comité ont exprimé le désir que le Comité visite les réserves du pays.

Le sous-comité estime qu'il serait impossible et peu souhaitable que le Comité entier visitât chaque réserve, et estime qu'il serait beaucoup plus efficace que quelques membres seulement du Comité visitassent chaque partie du pays.

Il est donc recommandé que le Comité soit divisé en quatre sous-comités, composés chacun de cinq membres. Le sous-comité du programme et de la procédure envisage que chaque sous-comité visite une partie différente du pays.

En conséquence, le sous-comité recommande que le sous-comité n° 1 soit présidé para le président du Comité et visite les réserves du Québec et des Maritimes. Que le sous-comité n° 2 soit présidé par M. O'Connell et visite l'Ontario. Que le sous-comité n° 3 soit présidé par M. Saint-Pierre et visité le Manitoba, la Saskatchewan et l'Alberta. Que le sous-comité n° 4 soit présidé par M. Marchand (*Kamloops-Cariboo*) et viste la Colombie-Britannique.

Your Subcommittee further recommends that each of the four Subcommittees decide on their own itinerary and that since each part of the country cannot be visited equally well at the same time of the year, that each Subcommittee arrange its own departure date.

It is your Subcommittee's view that staff will not be needed and need not accompany the Subcommittees unless the Subcommittee required it.

Le sous-comité recommande en outre que chacun des quatre sous-comités décide de son propre itinéraire, et que, étant donné que toutes les parties du pays ne peuvent pas être visitées aussi bien au même moment de l'année, chaque sous-comité décide de sa propre date de départ.

Le sous-comité estime que le personnel de soutien n'aura pas besoin d'accompagner les sous-comités, à moins que ceux-ci n'en fassent la demande.

On motion of Mr. St-Pierre, it was

Agreed—That the Third Report of the Subcommittee on Agenda and Procedure be concurred in.

Sur la proposition de M. Saint-Pierre,

Il est convenu—Que l'on accepte le troisième rapport du sous-comité du programme et de la procédure.

On motion of Mr. O'Connell, it was

Agreed—That the Clerk of the Committee be instructed to circularize the Members of the Committee to ascertain which Subcommittee it was they wished to be on and that the Clerk prepare lists of such Subcommittee by March 14, 1969.

Sur la proposition de M. O'Connell,

Il est convenu—Que le secrétaire du Comité remette aux membres du Comité des formules à remplir pour qu'ils puissent y indiquer de quel sous-comité ils veulent faire partie, et que le secrétaire prépare une liste de la composition des sous-comités avant le 14 mars 1969.

Mr. Nielsen enquired if he might be allowed to vary the Third Report so as to allow the Yukon Electric Company to appear at a later meeting and after discussion it was *agreed* that the Subcommittee could settle the matter.

M. Nielsen demande s'il peut modifier le troisième rapport afin que l'on permette à la *Yukon Electric Company* de comparaître à une séance ultérieure, et, après débat, il est *convenu* que le sous-comité pourra décider de cette question.

The Committee proceeded to consider Bill C-153 an Act to amend the Historic Sites and Monuments Act.

Le Comité passe à l'examen du Bill C-153, Loi modifiant la Loi sur les lieux et monuments historiques.

On Clause 1

Sur l'article 1

Mr. J. H. Gordon made a short statement and was questioned. He was assisted by Messrs. Nicol and Bennett.

M. J. H. Gordon fait une brève déclaration et répond à des questions, aidé de MM. Nicol et Bennett.

Later, clauses 1, 2, the Title and the Bill were *carried.*

Par la suite, les articles 1 et 2, le titre et le Bill sont *adoptés.*

Ordered,—That the Chairman report the Bill to the House without amendment.

Il est ordonné—Que le président fasse rapport du Bill à la Chambre sans modification.

The Committee then proceeded to examine the estimates of the Department of Indian Affairs and Northern Develop-

Le Comité entreprend l'étude des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour

ment for the fiscal year 1969-70. (*See Issue No. 12*)

On motion of Mr. Givens at 5:50 p.m. it was—

Agreed—That the Committee adjourn until Tuesday, March 11, 1969.

l'année financière 1969-1970. (*Voir le fascicule n° 12*)

Sur la proposition de M. Givens, à 5 h. 50 de l'après-midi.

Il est *convenu*—Que le Comité s'ajourne jusqu'au mardi 11 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Text*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Monday, March 10, 1969

●1547

The Chairman: Gentlemen, I see a quorum. I would like, first, to ask permission to table the answers which we have received from the Department relating to the questions which Mr. Nielsen asked concerning electric power rates in the Yukon, primarily the rates of the N.C.P.C. and the basis for their rates. Do I have that permission?

Some hon. Members: Agreed.

The Chairman: Do we have your permission to have these printed as an appendix to the minutes of this meeting?

Some hon. Members: Agreed.

(*See appendix attached*)

The Chairman: I would now like to deal with the second report of the steering committee. The steering committee reports as follows: (*See Minutes of Proceedings*) Could I have a motion for concurrence in the second report of your Subcommittee on Agenda and Procedure?

Mr. St. Pierre: I so move.

Mr. Dinsdale: Mr. Chairman, there is no mention of the possible trips in that report?

The Chairman: No. That is in the third report which I am going to read.

The Subcommittee on Agenda and Procedure has the honour to present its third report: (*See Minutes of Proceedings*) May I have a motion for concurrence in this report?

● 1550

Mr. Gundlock: You mentioned Western Alberta under the chairmanship of Mr. Marchand.

The Chairman: No, Mr. St. Pierre.

Mr. Gundlock: Western Alberta?

[*Interpretation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le lundi 10 mars 1969

[*Interprétation*]

Le président: Messieurs, nous avons quorum. En premier lieu, je vous demanderais la permission de déposer les réponses que nous avons reçues du Ministère au sujet des questions posées par M. Nielsen ayant trait au taux de l'énergie électrique dans le Yukon, les taux de la N.C.P.C. et sur quoi reposent ces taux. Ai-je votre permission?

Des voix: D'accord.

Le président: Est-ce que vous m'autorisez, de même, à le faire imprimer en annexe au compte rendu de cette séance?

Des voix: D'accord.

(*Voir appendice.*)

Le président: Maintenant, passons au deuxième rapport du comité directeur, qui présente ce rapport comme il suit: (*voir le compte rendu*).

Est-ce que l'on peut déposer une motion d'approbation de ce rapport, c'est-à-dire du deuxième rapport de votre sous-comité sur l'ordre du jour et la procédure?

M. St. Pierre: Je propose.

M. Dinsdale: On ne parle pas des possibilités de voyage dans ce rapport?

Le président: Non, absolument pas. Cela se trouve dans le Troisième rapport que je vais vous lire.

Le sous-comité sur l'ordre du jour et la procédure a l'honneur de présenter son Troisième rapport: (*voir le compte rendu*). Quelqu'un peut-il déposer une motion d'approbation?

M. Gundlock: Vous avez parlé de l'ouest de l'Alberta, sous la présidence de M. Marchand?

Le président: Non, de M. St-Pierre.

M. Gundlock: Vous avez dit l'ouest de l'Alberta?

[*Text*]

The Chairman: Manitoba and the Prairies, which includes Saskatchewan. I should have just said Manitoba, Saskatchewan and Alberta.

Mr. Gundlock: I understood you to say Western Alberta.

The Chairman: At the steering committee meeting, Mr. Gundlock, I understood that there would be one committee visiting reserves in British Columbia only. This was my understanding at the steering committee and I think that the report should be amended accordingly. I did not notice this Western Alberta section in here. I think that the

• 1555

Alberta visit should be part of the Prairie visit, not the British Columbia visit.

Mr. Gundlock: Well, not necessarily, but I understood you to say Alberta.

Mr. Simpson: Before you get concurrence in that, Mr. Chairman, do you wish to have any discussion on that further to what took place in the steering committee meeting?

The Chairman: If you would like to raise anything, Mr. Simpson, go ahead. First, could we just clear this one item up? I would like to amend this report, where applicable, to read as follows:

> That subcommittee number 3 be headed by Mr. St. Pierre and visit Manitoba, Saskatchewan and Alberta, and that subcommittee number 4 be headed by Mr. Marchand and visit British Columbia.

We will leave this up to the discretion of the members of each of these committees. If they decide to vary it, there is no problem.

Mr. Gundlock: That is all I was referring to. In Alberta we do not use the terms Western and Eastern Alberta.

Mr. Simpson: It would seem to me, Mr. Chairman, that the committee visiting reserves on the prairies, particularly the three Prairie Provinces, would of necessity require a bit more time than possibly those visting one single province—if they are going to make any kind of significant contribution to our committee work.

The Chairman: We will leave this up to the people who will be members of that committee. If the Committee here have any suggestions how we should divide ourselves up for purposes of these visits we will hear those suggestions now, otherwise you could perhaps

[*Interpretation*]

Le président: Le Manitoba et les Prairies. J'aurais dû dire en fait le Manitoba, la Saskatchewan et l'Alberta.

M. Gundlock: Moi, j'ai compris l'ouest de l'Alberta. C'est cela que vous avez dit.

Le président: Lors de la réunion du sous-comité directeur, monsieur Gundlock, j'ai compris qu'il y aurait un comité qui visiterait les réserves de la Colombie-Britannique seulement. Voilà ce que j'ai compris au comité directeur et je crois que le rapport devrait être modifié en conséquence. J'y ai remarqué ce paragraphe au sujet de l'est de l'Alberta. Je crois que la visite de l'Alberta devrait faire partie de la visite des Prairies, mais non de celle de la Colombie-Britannique.

M. Gundlock: Pas nécessairement, mais de toute façon, j'ai cru vous entendre dire l'Alberta.

M. Simpson: Avant que vous ayez l'accord du Comité à ce sujet, monsieur le président, est-ce que vous voulez que l'on discute de ce qui s'est passé au comité directeur?

Le président: Si vous voulez soulever quelque chose, M. Simpson, allez-y. Pourrions-nous d'abord disposer de cette question. Je voudrais modifier ce rapport où il y a lieu de le faire pour qu'il se lise comme suit: Que le troisième sous-comité soit dirigé par M. St-Pierre et visite le Manitoba, la Saskatchewan et l'Alberta. Que le quatrième sous-comité soit dirigé par M. Marchand et visite la Colombie-Britannique. C'est absolument aux membres du Comité de décider où ils vont, eh bien! s'il veulent aller dans une autre région, peu importe.

M. Gundlock: C'est tout ce que j'avais à dire. En Alberta on ne se sert pas des expressions: l'Ouest et l'Est de l'Alberta.

M. Simpson: Il me semble, monsieur le président, que le comité qui visitera les réserves des Prairies devrait nécessairement disposer de plus de temps que le comité qui visitera une seule province pour que leur contribution soit utile aux travaux de notre comité.

Le président: Eh bien! ce sera aux membree de ce Comité de décider et, si le Comité, ici, a des suggestions à faire quant à la manière dont nous devrions nous répartir pour ces visites, je serais très heureux de les entendre; autrement, eh bien! vous pouvez

[*Texte*]

leave it to the steering committee to simply divide members up pretty well on the basis of where they live. I think though it was the concensus in the steering committee meeting that members should be allowed to go wherever they want to go. It is just a matter of dividing us up into four groups of a certain size. We are completely flexible on this issue. If members do not want to visit their own area I think there is no reason that we cannot send them into another section of the country.

Mr. Borrie: Mr. Chairman, I doubt the advisability of making a tour of the reservations prior to the consultation meetings that are to be held in Ottawa. I feel that we would probably gain much more from the consultation meeting prior to making a trip to the reservations. If it is the concensus that it be left up to the individual committees as to when they would go, I would recommend that it not be until after the consultation meeting is held in Ottawa with the Indians.

The Chairman: We will leave that up to the individual area groups to decide. One of the reasons, for example, of visiting Northern Quebec and Northern Ontario at this time is that the spring breakup starts in April and runs almost all the way through May. So if we do not go now we would not have much opportunity of going this spring to those parts of the country. Now, as this is probably not the case in British Columbia we will leave it up to the individual subcommittees to decide when to go—if this meets with the Committee's approval.

Mr. Gundlock: I have a supplementary to Mr. Borrie's question. I feel the same way but not for the same reason that you mentioned, Mr. Chairman.

These meetings were very, very useful and very fruitful. As we said last week in the House, and I think I can mention that here, these meetings were all set up without the concurrence of the Indians, and this is the cause of most of our trouble. It is the old, old story: the department wants to wait until they get everything all lined up and then have them come. Why not let them come and be a part of this? Do you understand me?

The Chairman: What are you suggesting?

• 1600

Mr. Gundlock: I am referring particularly to the meeting held in Edmonton, Alberta, which by the way was the only one I attended. However I thought it was a very fruitful

[*Interprétation*]

laisser le soin d'en décider au comité directeur qui répartira les membres, en fonction de leur lieu de résidence surtout. Je pense que, au comité directeur, l'avis général était que les gens pourraient aller où ils voudraient aller. On avait pensé à 4 groupes à peu près égaux, mais, nous sommes très souples à cet égard et si certains membres ne veulent pas visiter leur propre région, eh bien! je pense qu'il n'y a aucune raison pour qu'on ne les fasse pas aller dans un autre endroit du pays.

M. Borrie: Monsieur le président, je doute de l'utilité de faire une visite des réserves actuellement, avant les consultations qui doivent avoir lieu à Ottawa. Je pense, pour ma part, qu'il nous serait beaucoup plus utile d'avoir des consultations avant de visiter les réserves. Et, si on estime de façon unanime que c'est au sous-comité de décider de la question des dates, eh bien! je voudrais déposer une recommandation pour que cela ne se fasse pas avant que l'on ait une réunion de consultation avec les Indiens, à Ottawa.

Le président: Eh bien! je pense que c'est à chaque groupe régional de décider. L'une des raisons, par exemple, pour que l'on aille dans le Nord du Québec et dans le Nord de l'Ontario en ce moment, c'est parce que la fonte des neiges arrive en avril et va durer jusqu'en mai; par conséquent, si on n'y va pas maintenant, on n'aura pas beaucoup d'occasions d'y aller ce printemps. Ce n'est probablement pas le même cas en Colombie-Britannique, ce sera aux membres du sous-comité de décider quand partir si cela reçoit, bien sûr, l'approbation du Comité. Monsieur Gundlock?

M. Gundlock: Question complémentaire à la question de M. Borrie. Je pense comme lui, mais pas pour les mêmes raisons que vous avez citées, monsieur le président. Ces réunions ont été très utiles et, comme nous l'avons dit la semaine dernière d'ailleurs à la Chambre, et je crois que je puis mentionner ici que toutes ces réunions organisées sans le concours des Indiens et c'est en grande partie la raison de nos difficultés. C'est toujours la même vieille histoire, le ministère veut attendre jusqu'à ce que tout soit préparé, puis, ensuite, on les fait venir. Et pourquoi ne les fait-on pas participer? Est-ce que vous me comprenez?

Le président: Est-ce que vous voulez dire . . .?

M. Gundlock: Non, je fais d'abord allusion à la réunion de l'Alberta, qui s'est tenue à Edmonton, c'est la seule où je sois allé, mais j'ai pensé pour ma part que c'était une réu-

[*Text*]

meeting. As a result of that meeting delegates were chosen to come and visit with the department. This has been put off now two or three times. This is the old, old story, and this is the very thing that is leading to the unrest with the native people.

The Chairman: You are suggesting, Mr. Gundlock, that we should not delay our visits any longer.

Mr. Gundlock: No, I am suggesting we should not delay the visits that were promised at those times. It has nothing to do with our visits, but I am urging, if possible, that these meetings be held very early, maybe preliminary.

The Chairman: As far as our visits are concerned, which is the subject under discussion, we will leave it up to your Prairie group, Mr. Gundlock, when you will visit your Prairie reserves. It will be up to you and the other members of that group to decide.

Mr. Borrie: There is one other thing that I would like to add, seeing that this is likely to be concurred in. Do we have a right under our terms of reference to visit Métis villages and Métis communities? If we do I would like to see this included, and if we do not, we should.

The Chairman: The sub-committees are being left with fairly flexible terms of reference so that if you happen to be visiting an Indian reserve and there happens to be a Métis village close by, I think that there is no reason in the world why you could not visit it and I would expect you would. You are going to have a fair amount of flexibility and it is up to you to exercise your own discretion once you are out there.

Mr. Borrie: I think that makes the point clear. Thank you, Mr. Chairman.

Mr. Cullen: Mr. Chairman, with the greatest respect, surely we are operating at the present time under the Indian Act and have authority to deal only with our native peoples. I do not think that the Métis are covered. I agree that they certainly have a cause and that something should be done but I do not think this Committee's jurisdiction covers the Métis. We are surely operating under the Act and the Act does not apply to the Métis people.

The Chairman: Mr. Cullen, I think we must remember that we are making this visit

[*Interpretation*]

nion très utile et, à partir de là, on a choisi des délégués pour qu'ils viennent rencontrer les fonctionnaires du ministère et cette réunion a été décommandée déjà deux ou trois fois, je pense, et c'est toujours la même chose.

Le président: C'est la vieille rengaine, et le genre de choses qui a entraîné des difficultés avec les indigènes. Autrement dit, vous ne voulez pas qu'on retarde davantage nos visites.

M. Gundlock: Non. Je veux dire qu'il ne faudrait pas qu'on retarde les visites prévues. Cela n'a rien à voir avec nos visites, mais je souhaite ardemment que les réunions aient lieu très tôt, peut-être à titre préliminaire.

Le président: En ce qui concerne ces visites, ce sera à votre groupe des Prairies de décider, monsieur, lorsque vous visiterez les réserves des Prairies. Ce sera à vous et aux membres de votre groupe de décider.

M. Borrie: Je voudrais ajouter une chose. En vertu de notre mandat, est-ce que nous pouvons visiter les villages et les collectivités métis? Si nous pouvons le faire, je voudrais qu'on l'inclue, et si on ne le fait pas, on devrait le faire.

Le président: Les sous-comités ont un cadre de travail très souple, de sorte que si vous visitiez les réserves indiennes et qu'il y a un village métis tout près, j'imagine qu'il n'y a rien qui vous empêche de vous rendre dans ce village métis et je crois qu'il y aurait lieu de le faire. Il y aura beaucoup de souplesse, c'est donc à vous d'exercer votre propre discrétion lorsque vous serez sur place.

M. Borrie: Ceci explique tout. Merci, monsieur le président.

M. Cullen: Sauf votre respect, en vertu de la Loi sur les Indiens nous sommes autorisés seulement à traiter avec les indigènes. Je ne crois pas qu'elle s'étende aux Métis. Je suis d'accord qu'il faudrait faire quelque chose, mais que notre mandat ne s'étend pas aux Métis. Nous sommes constitués en comité aux termes de la Loi et la Loi ne s'étend pas aux Métis.

Le président: Monsieur Cullen, je pense qu'il ne faut pas oublier que nous faisons ce

[*Texte*]

under the terms of the annual report of the Department of Indian Affairs and Northern Development and that Department does expend certain moneys, at least indirectly, on projects which relate to the Métis people; therefore, since we have such broad terms of reference in the report itself, I do not think we are excluded necessarily from taking an interest in the Métis people.

Mr. Cullen: Has your Committee proposed the make-up of the sub-committees? Has this been given any thought at all? For example, will the people from Ontario cover the Ontario visit?

The Chairman: This was generally the idea but if you wish to visit another area of Canada you might indicate your wishes to the Committee.

Mr. Cullen: I do not have any preference but I just wondered if this was the basis.

Mr. Nielsen: Mr. Chairman, I am sorry I am late. With your permission, with the permission of the Committee, I just have one question to ask on the agenda, which I understand you have already discussed. It concerns Thursday, March 13, where there is a list of witnesses to be called. I assume that the day will be taken up with hearing Mr. MacDonald and people from NCPC, but that Mr. R. H. Choate, Yukon Electric Company or whoever has been invited from there has merely been invited to attend that day.

The Chairman: I understand, Mr. Nielsen, that we will be expecting Mr. Choate's representation on that day if it is possible. If it is not possible . . .

• 1605

Mr. Nielsen: I came away with a completely different understanding from listening in on the Steering Committee's proceedings the other day. It was my understanding that the following Monday had been set aside to hear the brief of Yukon Electric.

The Chairman: The problem, Mr. Nielsen, was this. Mr. MacDonald, who is the President of NCPC, will be away from March 15 until the end of the month. Since Mr. Carr, of the Carr Commission, could have appeared either the Thursday or the Tuesday we felt it would be preferable to put him on the Tuesday, the 19th, when Mr. MacDonald cannot be here, and that it would be preferable to have Mr. MacDonald here when the Yukon Electric brief is presented.

[*Interprétation*]

voyage en vertu du rapport annuel du ministère des Affaires indiennes et du Nord canadien et que ce ministère dispose de certains crédits, au moins de façon indirecte, pour des projets qui touchent les Métis. Par conséquent, nous ne sommes pas exclus, vu que notre mandat est si souple, de nous intéresser aux Métis.

M. Cullen: Une autre question. Est-ce que votre comité a étudié la possibilité de constituer des sous-comités? Est-ce que vous y avez songé? Par exemple, est-ce que les gens de l'Ontario feront la visite en Ontario?

Le président: C'est l'idée générale, mais seulement si vous désirez vous rendre dans une autre partie du Canada, vous pouvez indiquer vos préférences au Comité.

M. Cullen: Je n'ai pas de préférences; je voulais simplement savoir comment vous faisiez ce partage.

M. Nielsen: Je m'excuse d'être en retard. J'aurais simplement une question à poser à l'égard de l'ordre du jour que vous avez déjà étudié, je crois. Il s'agit du jeudi 13 mars; il y a une liste de témoins à entendre ce jour-là. J'imagine que la journée sera consacrée à entendre M. MacDonald et les représentants de la Commission d'énergie du nord canadien, et que M. R. H. Choate de la *Yukon Electric Company* ou son délégué, n'ont été invités que pour ce jour.

Le président: Si je comprends bien, monsieur Nielsen, on prévoit entendre M. R. H. Choate ce jour-là si possible. Si ce n'est pas possible de le faire . . .

M. Nielsen: J'ai interprété de toute autre façon les délibérations du comité directeur l'autre jour. J'en avais conclu que le lundi suivant avait été prévu pour entendre le mémoire de la *Yukon Electric*.

Le président: Le problème était le suivant: M. MacDonald, le président de la CENC sera absent du 15 mars jusqu'à la fin du mois de mars. Vu que M. Carr, de la Commission Carr, pouvait comparaître soit le mardi ou jeudi, nous avons pensé qu'il serait préférable de l'inscrire pour mardi le 19 mars, lorsque M. MacDonald ne pourra pas y être. Peut-être qu'il serait préférable d'avoir M. MacDonald lorsque le mémoire de la *Yukon Electric* nous sera présenté.

[*Text*]

This is why we felt Thursday would be preferable, but if it is not possible or not reasonable to expect Mr. Choate to come with his presentation then we will change it.

Mr. Nielsen: That is very kind of you, Mr. Chairman. I got a panic call from Yukon Electric after our Clerk had contacted Yukon Electric. They said that it was just not possible to produce a brief between the time of the call last Friday and next Thursday, but they said that they could do so by the 17th. It would not be as much time as they would have liked but they would certainly prefer the 17th if they could possibly make it. And I do have it noted in my diary that that was the date that was set to hear them.

Mr. Borrie: Three of us are going to be off the Committee on the 13th and I would like to . . .

Mr. Nielsen: That is even worse.

Mr. Kaplan: On a point of order, Mr. Chairman, had not the agenda committee report already been approved by the Committee before Mr. Nielsen came in?

The Chairman: I am afraid it had, yes.

Mr. Kaplan: Is this discussion in order, then?

The Chairman: We had approved the agenda but Mr. Nielsen has brought up what appears to be a physical impossibility on the part of one of the people who has made a point of raising this question before the Committee. Mr. Nielsen, would you mind leaving this with the Steering Committee for us to discuss tomorrow after the meeting? We will have a steering committee meeting immediately following the meeting tomorrow.

Mr. Nielsen: Thank you, Mr. Chairman. That is fine.

The Chairman: Could we have a motion for concurrence in the third report which we discussed a minute ago concerning dividing the Committee into sub-committees for purposes of travelling? Do I have a motion for concurrence in this report?

Mr. Simpson: I do not know how binding this is going to be. I do not think it is going to be that binding to bring this question up but I do think we should mention it. You were mentioning that it would not be necessary to take any staff on these. It will be necessary and expenditures will have to be available for interpreters and things of that nature on the site, possibly.

[*Interpretation*]

C'est la raison pour laquelle nous avons pensé qu'il serait préférable que ce soit jeudi, mais si ce n'est pas possible pour M. Choate de se rendre, nous changerons.

M. Nielsen: C'est très gentil de votre part. Mais j'ai reçu un message de détresse de la *Yukon Electrical* lorsque notre secrétaire les a contactés. Ils m'ont dit que ce n'était pas possible de préparer ce mémoire en vertu du temps qui était à leur disposition soit de vendredi dernier à jeudi prochain. Mais ils nous ont dit qu'ils pourraient le faire pour le 17. Ils auraient aimé avoir plus de temps, mais enfin ils pourront sûrement se préparer pour cette date. J'ai noté cette date à mon calendrier pour l'audience.

M. Borrie: Trois d'entre nous seront absents le 13 mars et je voudrais . .

M. Nielsen: C'est encore pire.

M. Kaplan: Un point d'ordre. Est-ce que cet ordre du jour a été approuvé avant que M. Nielsen arrive?

Le président: Je crois que oui.

M. Kaplan: Est-ce que cette discussion est recevable alors?

Le président: Nous avions approuvé l'ordre du jour mais M. Nielsen nous a signalé une impossibilité matérielle de la part d'un des représentants. Monsieur Nielsen, êtes-vous d'accord pour qu'on laisse cette question au comité directeur et nous en reparlerons demain? Nous avons une réunion du comité directeur après la réunion du comité demain.

M. Nielsen: Merci beaucoup. Je suis d'accord.

Le président: Est-ce que nous pourrions être saisi d'une motion pour approuver ce troisième rapport dont nous venons de parler il y a un instant, pour ce qui est du partage du Comité en sous-comité aux fins des placements? Donc est-ce que vous présentez une motion pour l'adoption de ce rapport?

M. Simpson: Monsieur le président, je ne sais pas comment cela nous lie à ce point de parler de la question, mais je pense qu'il serait bon de la mentionner. Vous avez dit qu'il ne serait pas nécessaire d'avoir de personnel. Mais il faudra prévoir les frais d'interprète et autres frais connexes sur place, ne croyez-vous pas.

[*Texte*]

The Chairman: We have cleared this with the authorities of the House of Commons and the persons named here who will head each of the sub-committees will be responsible for obtaining receipts and paying all these necessary items.

Mr. Simpson: Very good.

Mr. O'Connell: Mr. Chairman, what arrangements will be reasonable if we concur in this? How are we to know in very fast order who is going where? It could be quite a confused situation if, for example, the western group decided not to travel for a while. They might like to go to Quebec and so forth and we will all be scrambling as four or five leaders of small delegations to know who is who and make the arrangements.

The Chairman: I suggest that this would be a good topic for discussion at our steering committee after tomorrow's meeting.

Mr. O'Connell: Well, it is getting later and later and I am very much concerned lest in the end we drop in unannounced on Indian communities. I think we should make our selection and ask permission to drop in and I

• 1610

think we should accelerate that.

The Chairman: If members present will indicate their intentions to the four persons mentioned between now and the meeting of the steering committee tomorrow, we will be in a position to decide as to where members wish to go. Mr. O'Connell, does it meet with your approval that between now and tomorrow the members of the Committee who are here will indicate their intentions to the four individuals mentioned and that we will make the final division tomorrow at this steering committee meeting?

Mr. O'Connell: May I suggest that if it would not be burdening the Clerk of the Committee unduly, he actually circularize people in a formal way so that we do not just drift down.

The Chairman: Excellent suggestion. The Clerk has informed me he will try to do this tonight.

Mr. O'Connell: Thank you.

Mr. Dinsdale: Mr. Chairman, the point has already been raised about the suitability of the timing. I suggest that if there is any nega-

[*Interprétation*]

Le président: Nous avons pris ses dispositions auprès des autorités de la Chambre des communes et la personne qui dirigera chacun des sous-comités sera responsable d'obtenir des reçus et de défrayer ces dépenses.

M. Simpson: Très bien.

M. O'Connell: Monsieur le président, quelles seraient les dispositions raisonnables si nous l'adoptions? Comment pouvons-nous savoir rapidement qui va à quel endroit? Il pourrait y avoir beaucoup de confusion si, par exemple, le groupe de l'ouest se décidait de ne pas se déplacer pour un certain temps. Ils décideraient peut-être de se rendre à Québec et il y aura beaucoup de confusion entre les quatre ou cinq délégations pour savoir qui est qui, et qui doit prendre les dispositions voulues.

Le président: Nous pourrons en parler au Comité directeur après la séance de demain.

M. O'Connell: Le temps file et à la fin nous allons nous rendre là-bas sans crier gare. Il nous faut donc faire le choix et demander l'autorisation pour se rendre dans les réserves au plus vite.

Le président: Je pense que si les membres veulent bien indiquer leurs intentions aux quatre personnes mentionnées d'ici la réunion du comité directeur demain, nous serons alors en mesure de décider où les députés désirent aller. M. O'Connell, est-ce que vous êtes d'accord que d'ici demain, les membres du comité ici présents indiquent leur préférence aux quatre personnes désignées et nous ferons la répartition définitive demain à la réunion du comité directeur?

M. O'Connell: Messieurs les députés, si ce n'est pas trop demander au secrétaire du Comité, peut-être pourrions-nous lui demander de faire circuler les listes aux gens de façon à ce qu'on ne parte pas à gauche et à droite.

Le président: Excellente suggestion. Le greffier me dit qu'il essaiera de le faire ce soir.

M. O'Connell: Merci.

M. Dinsdale: Monsieur le président, on a déjà soulevé la question de l'opportunité des visites. Je vous proposerais que s'il y a une

[*Text*]

tive reaction when approaches are made to the reservations, or the Métis community, we would like to visit, that should be the deciding factor. I do not think we should impose ourselves upon these people if it is the wrong time and the wrong occasion. I hope that information can be obtained as quickly as possible.

The Chairman: I think we all generally agree with that, Mr. Dinsdale.

Mr. Nielsen, you were not here when the answers to your questions were tabled.

Mr. Nielsen: The Clerk was kind enough to give me a copy.

The Chairman: I presume you will be commenting on these when we get to the power question?

Mr. Nielsen: Yes, if you please, Mr. Chairman; but that will not be today.

The Chairman: No.

Gentlemen, the next item on the agenda is Bill C-153, An act to amend the Historic Sites and Monuments Act.

We have before us today from the Department of Indian Affairs and Northern Development Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation) on my right; Mr. J. I. Nicol, Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. H. A. Johnson, Head, Operations Policy Section, Operations Division, National Historic Sites Services, National and Historic Parks Branch; and Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

I understand Mr. Gordon is going to start with a short explanation of this Bill.

Mr. J. H. Gordon (Senior Assistant Deputy Minister (Conservation) Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. I understand it is your wish to deal with the Bill first. I have an additional very general statement to make at what you consider to be the appropriate time, but the Bill itself appears to be largely self-explanatory.

The amendments are designed primarily to restore to the Historic Sites and Monuments Board of Canada a representative of the National Museum.

Membership of the Historic Sites and Monuments Board is governed by Section 4 (1) of

[*Interpretation*]

réaction négative lorsqu'on s'adresse aux réserves ou aux collectivité de Métis que nous aimerions à visiter, alors ce devrait être le facteur décisif; je ne crois pas qu'on doive s'imposer; ce n'est pas le moment de le faire, surtout pas en ce moment. J'espère que nous pourrons trouver ces renseignements le plus vite possible.

Le président: Nous sommes d'accord avec cela, monsieur Dinsdale.

M. Nielsen, vous n'étiez pas ici lorsqu'on a déposé réponses à vos questions.

M. Nielsen: Le secrétaire a été assez bon pour m'en donnez un exemplaire.

Le président: Je suppose que vous ferez des observations là-dessus lorsque nous en serons à la période des questions sur l'énergie électrique?

M. Nielsen: Oui, s'il vous plaît, monsieur le président, mais ce ne sera pas aujourd'hui?

Le président: Non.

Nous passons maintenant, messieurs, au point suivant, soit le Bill C-153, Loi modifiant la Loi sur les lieux et les monuments historiques. Nos témoins, cet après-midi, sont M. J. H. Gordon, sous-ministre adjoint senior à la conservation; M. J. I. Nicol, Directeur, Direction des parcs nationaux et des lieux historiques; M. P. H. Bennett, directeur adjoint des lieux historiques. Direction des parcs nationaux et des lieux historiques; M. P. B. Lesaux, chef de la Division de l'Exploitation, Direction des parcs nationaux et des lieux historiques; M. H. A. Johnson, directeur de la section de l'exploitation politique, Division de l'exploitation, Division des parcs nationaux et des lieux historique; est M. L. H. Robinson, directeur régional, région de l'Atlantique, Direction des parcs nationaux et des lieux historiques.

Je pense que M. Gordon vous donnera une brève explication de ce projet de Loi.

M. J. H. Gordon (Sous-ministre adjoint senior (conservation), ministère des Affaires indiennes et du Nord canadien): Merci, monsieur le président, si je comprends bien, vous désirez tout d'abord étudier ce Bill. J'aurai une déclaration d'ensemble à faire, au moment que vous jugerez approprié, mais le bill lui-même ne semble pas avoir besoin d'explications.

Les amendements sont conçus essentiellement en vue de restaurer à la Commission des lieux et monuments historiques, d'y nommer un représentant des musées nationaux. La désignation de membres à la Commission des lieux et monuments historiques est régie

[*Texte*]

the present Act. There is provision for representation from each of the provinces, plus the Dominion Archivist and one representative of the Department of Indian Affairs and Northern Development. In addition, the provinces of Ontario and Quebec are entitled to one additional member each.

Prior to the Government Organization, Act of 1966, the National Museum of Canada was represented on the Board. The present amendment is intended to provide a place for this former connection, the representative of the National Museum to be designated by the Secretary of State.

• 1615

An amendment consequential to this is that the quorum, which is now set at seven, be raised to eight for the purposes of the meetings of the Board.

The third amendment is to make it possible to pay honoraria to members of the Board, consistent with modern day practice.

The present Act stipulates that members of the Board may be paid $20 a day for each day they are necessarily absent from their ordinary place of residence. I might say in parentheses that this is over and above out-of-pocket travel expenses. This allowance was set many years ago and the value of the dollar has depreciated, of course. It is seriously out of line by comparison with other national bodies. Considering the high professional qualifications of the Board members and the importance of the work they have to do a larger payment is obviously appropriate.

The amendment also provides that the remuneration may be fixed by the Governor in Council. This will enable adjustments to be made from time to time without the necessity for an amendment to the Act.

I think this is all I can say at this time, Mr. Chairman.

On Clause 1—Board established.

The Chairman: Gentlemen, we are on Clause 1. Do you have some general questions? Mr. Gundlock?

Mr. Gundlock: I have one, Mr. Chairman. I have learned within the last day or two that there is a valuable property in Moncton, New Brunswick, that is available free of charge to this Department. The name of the man involved is Macdonald and he would like to have it named "Macdonald". It is a very valuable property. It is available if the Department would like to take possession of it.

[*Interprétation*]

par l'article 4(1) de la présente Loi. La Loi prévoit des représentants venant de chaque province, plus l'Archiviste du Dominion et un représentant du ministère des Affaires indiennes et du Nord canadien. En plus, les provinces de l'Ontario et du Québec ont droit à un représentant chacune.

Avant la Loi sur l'organisation du gouvernement de 1966, le Musée national du Canada y était représenté. Le présent amendement rétablit maintenant cette ancienne correction: le représentant du Musée national sera désigné par le Secrétaire d'État. Un amendement conséquent prévoit que le quorum qui est maintenant de 7, soit porté à 8.

Le troisième amendement permettra de payer des honoraires aux membres de la Commission, comme on le fait de nos jours. La présente Loi stipule que les membres de la Commission recevront vingt dollars par jour tous les jours où ils sont absents de leur résidence habituelle. Je dois dire que c'est là, en plus, bien sûr, des dépenses de déplacement, étant donné qu'il y a eu une dévaluation depuis que ce chiffre a été fixé, et ce chiffre, par conséquent, est très dépassé par rapport aux autres organismes semblables. Il est donc nécessaire d'avoir une meilleure redevance. Il est également prévu que la rémunération sera fixée par le gouverneur en conseil. Cela pourra être fait, de temps en temps, sans que la Loi soit nécessairement modifiée à cet effet, monsieur le président.

Sur l'article 1—*Établissement d'une commission.*

Le président: Eh bien, messieurs, nous étudions l'article 1. Est-ce que vous avez des questions d'ordre général? Monsieur Gundlock?

M. Gundlock: Oui, monsieur le président. J'ai appris, au cours des derniers jours, qu'une propriété de valeur à Moncton, dans le Nouveau Brunswick, est disponible sans frais par l'entremise du ministre; et le propriétaire est MacDonald et il voudrait que ce soit appelé «MacDonald». Si le ministère veut en prendre possession, il peut le faire. Disons, d'une manière non partisane, que nous espé-

[*Text*]

I mention it in a non-partisan way to the Department, with the hope—and I say hope—that it would be named Macdonald—perhaps Sir John A. Would the officials here accept such a thing?

Mr. Gordon: Mr. Chairman, on this the Minister is advised by the Board that is the subject of the amendment to this Act that we now have before us.

Certainly we would welcome hearing any proposal involving a site of national significance and would be glad to do the necessary research and put it before the Board for consideration.

Mr. Gundlock: Mr. Chairman, I am sorry I do not have the details of it here. There are maps and everything else. Frankly, I do not know any of the details whatsoever, but the site is available free of charge.

Perhaps tomorrow, at a special occasion, I could present it, and one of the officials of the Department could be here and could examine it.

The Chairman: Mr. Gundlock, it was the hope of the steering committee that as this Bill simply concerns the membership of the Historic Sites and Monuments Board of Canada it would be completed today.

Mr. Gundlock: Mr. Chairman, I take no exception whatsoever to the Bill. I merely wanted to raise this matter.

Mr. Gordon: Mr. Chairman, to be helpful to Mr. Gundlock, we would be delighted to get in touch with him by telephone, or have somebody see him . .

Mr. Gundlock: Perhaps a meeting in your office?

• 1620

Mr. Gordon: Yes, indeed; we can undertake to get in touch with you tomorrow and get the particulars of this property.

The Chairman: Is that satisfactory, Mr. Gundlock?

Mr. Gundlock: That is fine.

[*Interpretation*]

rons qu'elle soit appelée MacDonald, peut-être Sir John A. Je ne sais pas si les fonctionnaires ici présents accepteraient une chose semblable?

M. Gordon: Monsieur le président, à ce sujet, le ministre est avisé par la Commission qui fait l'objet de l'amendement à la présente Loi que nous étudions. Nous serions tout à fait heureux d'entendre parler d'un lieu d'intérêt national et d'entreprendre les enquêtes nécessaires pour les soumettre à l'attention de la Commission.

M. Gundlock: Monsieur le président, je m'excuse de ne pas avoir des détails avec moi. Disons, qu'il y a des cartes, et autres documents semblables. Mais disons qu'il s'agit de quelque chose qui est libre; je n'en connais pas les détails, voilà tout! Mais le lieu est libre; il est gratuit.

Demain peut-être, j'aimerais vous apporter certains documents; peut-être, on pourrait faire venir un membre du ministère, qui pourrait les étudier.

Le président: Monsieur Gundlock, le Comité de direction espérait, qu'étant donné que ce projet de Loi est simplement un projet portant sur la composition de la Commission des lieux et monuments historiques du Canada. Que le tout soit réglé aujourd'hui.

M. Gundlock: Je ne m'y oppose pas, monsieur le président. Je voulais tout simplement soulever cette question pour le moment.

M. Gordon: Monsieur le président, il serait peut-être bon de dire à M. Gundlock que nous serions très heureux de nous mettre en rapport avec lui, par téléphone, ou de lui envoyer quelqu'un. . .

M. Gundlock: Peut-être un rendez-vous dans votre bureau?

M. Gordon: Certainement; et nous pourrions chercher à vous rencontrer dès demain, et puis, nous aurions plus de renseignements à ce sujet.

Le président: Cela vous satisfait-il, monsieur Gundlock?

M. Gundlock: C'est excellent.

[*Texte*]

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Chairman, relative to the Bill, as we indicated when it was under discussion in the House of Commons, it is a housekeeping bill only, to make possible the addition of a representative from the National Museums and, as Mr. Gordon has indicated, to increase the quorum and to deal with inflationary problems.

Would it be fair to ask if any of the witnesses have any strong feelings on the recent reorganization of the national Historic Sites and Monuments Board of Canada? It was formerly under the Department of Northern Affairs and National Resources.

The museums have now moved into the Secretary of State Department, and there was this former fairly close relationship between the work of the museums and the Historic Sites and Monuments Board of Canada. Do you feel the addition of one representative on the Historic Sites and Monuments Board of Canada representing the museums is a close enough liaison in this very important work of preserving and commemorating Canada's historic past?

Mr. Gordon: Mr. Chairman, the purpose of this amendment, of course, is to make it possible for the museum to be represented on the Board, but beyond that there is very close liaison with the museum at the official level with respect to matters that are of joint concern to the museum and to the historic sites activity. I feel this relationship is very effective. Mr. Bennett might speak to this at greater length, if this is your wish, Mr. Chairman.

The Chairman: Would you like Mr. Bennett to comment further, Mr. Dinsdale?

Mr. Dinsdale: If he would care to expand on it. I do not want to go into policy areas, but I am just curious.

Mr. P. H. Bennett (Assistant Director, Historic Parks, National Historic Parks Branch, Department of Indian Affairs and Northern Development): Mr. Chairman, there is really very little I can add at this stage.

[*Interprétation*]

Le président: Monsieur Dinsdale?

M. Dinsdale: Monsieur le président, en ce qui concerne le projet de Loi, comme on l'a dit lorsqu'il a été discuté à la Chambre des communes, il s'agit d'un projet de Loi, disons, d'entretien des choses qui devrait permettre d'ajouter un représentant des Musés nationaux, et, comme M. Gordon l'a indiqué, d'augmenter le quorum et de régler les problèmes d'inflation?

Je me demande s'il serait juste de demander à votre témoin ou à l'un quelconque des témoins, s'ils ont des vues bien arrêtées en ce qui concerne la réorganisation récente de la Commission des lieux et monuments historiques du Canada qui dépendait autrefois du ministère des affaires du Nord et des ressources naturelles.

Les musées sont maintenant rattachés au secrétariat d'État, et il y avait autrefois des rapports assez étroits entre les travaux des musées et ceux de la Commission des lieux et monuments historiques du Canada. Pensez-vous que l'ajout d'un représentant des musées à la Commission des lieux et monuments historiques du Canada soit une liaison suffisamment étroite pour cette tâche si importante qui consiste à préserver et à commémorer le passé historique du Canada?

M. Gordon: Monsieur le président, le but de cette modification, bien sûr, est de permettre que les musées soient représentés officiellement à la Commission, mais, en dehors de cela, il y a une liaison très étroite avec le musée au niveau officiel en ce qui concerne les problèmes qui intéressent conjointement les musées et la Commission des lieux historiques. Je pense que ces rapports sont très efficaces. M. Bennett pourrait donner des précisions à ce sujet, si vous le voulez, monsieur le président.

Le président: Monsieur Dinsdale, voudriez-vous que M. Bennett fasse d'autres observations?

M. Dinsdale: S'il veut bien ajouter quelques précisions. Je ne veux pas aborder les questions de politique, mais la chose m'intéresse.

M. P. H. Bennett (directeur adjoint, Lieux historiques, Direction des parcs nationaux et des lieux historiques, ministère des Affaires indiennes et du Nord canadien): Monsieur le président, il n'y a vraiment pas grand-chose

[*Text*]

However, I can assure you that on the research side, which of course is the side most closely involved, both myself and Dr. Taylor, with other members of our research staff work very closely indeed with their appropriate opposite numbers and we have found that in every respect this relationship seems to be working out well and to our mutual satisfaction.

Mr. Dinsdale: Mr. Gordon made the statement, Mr. Chairman, that the members of the Board are all highly qualified professionally; hence the necessity for adequate remuneration. Certainly you will have a professional representative from the National Museums. Who are the other professional members of the Board?

Mr. Gordon: I would like to say, sir, that we have a list—and this relates to the more general statement that I promised later—and it is with some papers which, with the permission of the Chairman and the Committee, we will be tabling and it includes a detailed list of each of the members of the Board. I would be glad to read this list if this is your wish.

Mr. Dinsdale: Mr. Chairman, are we going to consider the estimates of the Historic Sites and Monuments Board immediately following the bill?

The Chairman: Yes.

Mr. Dinsdale: Perhaps that would be a tidier way of doing it because I think it will bring forward most of the information that I am seeking at this time. Actually, there is nothing controversial in the bill; it is merely a housekeeping measure but it provided an

• 1625

opportunity to go further than merely housekeeping to strengthen the efforts of the Canadian Government in commemorating our past.

The Chairman: Mr. Simpson.

Mr. Simpson: Mr. Chairman, I have a few questions I would like to ask, but I think possibly they could more conveniently be asked during the consideration of the estimates.

[*Interpretation*]

que je puisse ajouter à ce stade. Mais je peux certainement vous assurer qu'au niveau de la recherche, qui est, bien sûr, le domaine le plus intéressé à la question, M. Taylor et moi-même, ainsi que nos autres chercheurs, travaillons en collaboration très étroite avec nos homologues, et il semble que ces rapports soient très efficaces à tous points de vue et nous satisfassent tous.

M. Dinsdale: Monsieur le président, M. Gordon a fait remarquer que tous les membres de la Commission sont des personnes de haute compétence professionnelle, et devraient donc être rémunérées en conséquence. Il y a certainement un représentant professionnel des Musées nationaux. Qui sont les autres membres spécialistes de la Commission?

M. Gordon: Je voudrais vous dire, monsieur, que nous avons une liste des membres de la Commission—et cela se rattache à la déclaration générale que j'ai promis de faire plus tard; elle se trouve au milieu de certains documents que, si le président et le Comité le permettent, nous allons déposer; il s'agit d'une liste détaillée qui indique le nom de chacun des membres de la Commission. Je peux vous lire cette liste, si vous le voulez.

M. Dinsdale: Monsieur le président, est-ce que nous allons étudier les prévisions budgétaires de la Commission des lieux et monuments historiques immédiatement après avoir examiné le Bill?

Le président: Oui.

M. Dinsdale: Ce sera peut-être alors une meilleure occasion, car je pense que cela nous permettra d'obtenir la plupart des renseignements dont j'ai besoin. En fait, il n'y a rien de litigieux dans ce projet de loi; il s'agit simplement d'une mesure courante, mais, en outre, elle donne l'occasion de faire plus que cela pour renforcer les efforts du gouvernement canadien en vue de commémorer notre passé.

Le président: Monsieur Simpson.

M. Simpson: Monsieur le président, j'ai quelques questions à poser, mais je pense que peut-être il vaudrait mieux les poser au moment de l'étude des prévisions budgétaires.

[*Texte*]

The Chairman: Are there any other questions, gentlemen?

Clause 1 agreed to.

Clause 2 agreed to.

Title agreed to.

The Chairman: Shall I report the Bill?

Some hon. Members: Agreed.

[*Interprétation*]

Le président: Y a-t-il d'autres questions, messieurs?

L'article 1 est adopté.

L'article 2 est adopté.

Le titre est adopté.

Le président: Dois-je faire rapport du Bill?

Des voix: D'accord.

APPENDIX K

ANSWERS TO QUESTIONS BEFORE THE STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

REF: Minutes of Proceesings and Edivence No. 3—Nov. 7, 1968

1. What did NCPC pay to YCGC for the distribution system in Dawson City?

The NCPC acquired the electric power distribution system, the water pumping plant and distribution system, serving the Dawson City Townsite, and an office building with living quarters, including storage and warehouse buildings, and several parcels of land, by purchasing the shares of the Dawson Electric Light Company, The Dawson City Water and Power Company Limited, and the Yukon Telephone Syndicate Limited, for $102,000, distributed as follows:

Electrical distribution system, $24,000; Water pumping and distribution, $65,000; Office building and living quarters, $10,000; Supplies and Materials inventory, $3,000.

2. What portion of the purchased assets were incorporated in the present system?

Of the electrical distribution system, meters, transformers and portions of the power lines on the perimeter of Dawson City area have been utilized in the reconstructed electrical distribution system.

The Office Building and living quarters have been utilized for Administration of the electrical and water supply utilities and as a dwelling for the Plant Superintendent. These premises also serve as a vehicle garage, stockroom and electrical repair shop.

3. What did NCPC pay Discovery Mines for the three 250 KW diesel electric units moved from Carmacks to Dawson?

The NCPC paid LaForma Mines Ltd. $50,000 for three 250 kw diesel generating units, control switchgear and miscellaneous plant equipment.

4. What were the costs to overhaul these units after they were moved to Dawson?

Answer—$5,195.

5. Why has no interest or depreciation been charged to the Dawson Operations (i.e. in respect to the fiscal year 1967/68)?

Section 16 of the NCPC Act provides that interest on capital advances relative to a particular project shall be capitalized to the end of the fiscal year in which the project is declared completed.

The Dawson City electrical power generation and distribution system project was declared complete during the fiscal year 1967/68, consequently interest on capital advances for construction of the project was capitalized to March 31, 1968.

It is the policy of the Commission, in accordance with Section 10 of the NCPC Act, to charge as depreciation the annual repayment of capital invested in a given project, which, together with interest on capital outstanding, constituted the capital charges to be recognized in determining the rates for utility services supplied by the project in reference. Apart from repayment of principal, depreciation is charged also in respect to assets acquired out of earnings.

Since repayment of principal was not applicable during the fiscal year 1967/68, and there had been no acquisition of assets out of earnings in that year, and because interest on capital advances was capitalized to March 31, 1968 (in accordance with Section 16 of the NCPC Act), the omission of interest and depreciation in the Operating Statement for 1967/68 re the Dawson operation is in no way contrary to the provisions of the NCPC Act.

6. Explanation re comparison of sales to net Income (re Mayo and Whitehorse).

Under normal circumstances the Commission endeavours to budget for a small surplus in respect to each plant, since there is currently no provision in the NCPC Act for interplant transfer of surplus and deficits. However, factors such as abnormal load growth with resultant revenue increase (and in some instances unexpected load and revenue decline) and unforeseeable maintenance expense (e.g. equipment breakdown, storm damage, etc.) can cause significant departures from the project budget. Consequently, the operating statements for a given year may reveal considerable variation from plant to plant in the ratio of net income to sales.

In the case of Mayo the rate for power supplied to the main mining load has been maintained at a level that was appropriate a few years ago when a significant surplus was accumulated due to consumption exceeding budget forecasts, but this rate is inadequate for current load and cost conditions; hence a

APPENDICE K

RÉPONSES À DES QUESTIONS DEVANT LE COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU NORD CANADIEN.

Ref: Procès-verbaux et témoignages, fascicule 3, 7 novembre 1968.

1. Quelle somme la CENC a-t-elle versée à la YCGC pour le réseau de distribution de Dawson?

La CENC a acquis le réseau de distribution d'énergie électrique et l'usine de pompage et le réseau de distribution d'eau desservant le lotissement urbain de Dawson, ainsi qu'un bâtiment à bureaux avec logements, y compris des magasins en entrepôts, et plusieurs parcelles de terrain, en achetant les parts de la *Dawson Electric Light Company*, de la *Dawson City Water and Power Company Limited* et de la *Yukon Telephone Syndicate Limited*, pour la somme de $102,000, répartie comme suit:

Réseau de distribution d'énergie électrique, $24,000; Usine de pompage et réseau de distribution d'eau, 65,000; Bâtiment à bureaux avec logements $10,000; Fournitures et matériel $3,000.

2. Quels sont les matériels achetés qui ont été incorporés au réseau actuel?

Quelques compteurs, des transformateurs et certaines sections des lignes périphériques du réseau de distribution d'énergie électrique de Dawson ont servi à la reconstruction du réseau.

Le bâtiment mixte bureaux-logements a servi à abriter les services administratifs des eaux et de l'électricité et à loger le directeur de l'usine. On y a également installé un garage, un magasin et un atelier de réparation électrique.

3. Quel montant la CENC a-t-elle versé à la société «Discovery Mines» pour les trois groupes électrogènes diesel de 250 kW transportés de Carmacks à Dawson?

La CENC a payé $50,000 à la société *La-Forma Mines Ltd.* pour trois groupes électrogènes diesel de 250 kW, un appareillage de commande et divers matériels.

4 A combien se sont élevés les frais de révision générale à leur installation à Dawson?
Réponse: $5,195.

5. Pourquoi n'a-t-on pas imputé les intérêts ni les frais d'amortissements au compte d'exploitation du réseau de Dawson, pour l'année financière 1967-1968

L'article 16 de la Loi sur la CENC prévoit que l'intérêt des avances en capitaux octroyées pour un projet donné doit être capitalisé jusqu'à la fin de l'année financière au cours de laquelle le projet en question est déclaré achevé.

Étant donné que le projet de production et de distribution d'énergie électrique de Dawson a été déclaré achevé au cours de l'année financière 1967-1968, l'intérêt des avances en capitaux octroyées pour son exécution a été capitalisé jusqu'au 31 mars 1968.

En règle générale, la Commission, en conformité avec l'article 10 de la Loi sur la CENC, inscrit au poste des frais d'amortissement, le montant remboursé annuellement sur le capital investi dans un projet donné, montant qui, avec l'intérêt du capital à percevoir, forme les frais d'établissement à prendre en considération dans la fixation des tarifs des services publics fournis par les installations objects du projet en question. Outre l'imputation au compte du remboursement du capital, des frais d'amortissement s'inscrivent aussi à l'actif acquis par les bénéfices.

Comme le remboursement du capital n'était pas possible au cours de l'année financière 1967-1968, et qu'il n'y a pas eu acquisition d'actif par les bénéfices cette même année, que d'autre part des avances en capitaux a été capitalisé jusqu'au 31 mars 1968 (en conformité avec l'article 16 de la Loi sur la CENC), l'omission de l'intérêt et des frais d'amortissement dans les comptes d'exploitation du réseau de Dawson pour 1967-1968 ne va pas du tout à l'encontre des dispositions de ladite Loi.

6. Analyse comparative des ventes et du revenu net (Mayo et Whitehorse).

Dans des conditions normales, la Commission tâche d'établir un budget légèrement excédentaire pour chaque usine, car la Loi sur la CENC ne contient pas ordinairement de disposition prévoyant le transfert des excédents et des déficits d'une usine à l'autre. Cependant, certains facteurs, par exemple une croissance anormale de la charge entraînant une augmentation des revenus (et, parfois, une charge inattendue associée à une baisse du revenu) et des dépenses d'entretien imprévues (dues, par exemple, à des pannes de l'installation, à des dégâts causés par les intempéries, etc.) peuvent aboutir à des écarts importants par rapport au budget proposé. En

deficit has been budgetted for this operation in a concerted policy of reducing the surplus but maintaining the rate pending a firm indication of the future life of the existing mine loads. Consequently, the Mayo operation showed a deficit of approximately $60,000 for 1967/68.

In the case of the Whitehorse operation, load growth, not unforeseen, produced a surplus in 1967/68 of approximately $130,000. However, load growth projections have lead to installation of additional generating capacity commenced in the 1967/68 fiscal year but which will not be reflected in the operating cost statement before 1969/70; consequently, there will be an accumulation of surplus for the yeads 1967/68 and 1968/69 pending realization of the effect of plant expansion as well as general operating cost escalation. Current forecasts indicate that the existing rate structure will be appropriate for 1969/70 and at least a few succeeding years, providing surplus accumulated prior to 1969/70 is applied to increase the contingency reserve account in recognition of expanded plant facilities, in accordance with policy adopted to conform with requirements of the Act.

7. Information re number of houses constructed for Indians and supplied with electricity in the Yukon, and total number of electrical service connections.

8. Was an offer made to sell the Bear Creek to Dawson City Transmission Line to the NCPC for $11,000?

The Commission received an offer as stated, but the offer was not taken up because the sellor, or the sellor's agent, had a continuing requirement for power at Bear Creek which could best be supplied from Dawson over the said transmission line. If the Commission were to have purchased the transmission line in reference it would have had to adjust the rates for power supplied to Bear Creek to recognize the cost of the transmission line; however, it was difficult to determine how long the demand at Bear Creek might last. Arrangements were subsequently made whereby power is supplied to Bear Creek at the Dawson rates over the existing transmission line with no charge to the NCPC in respect to that line.

9. Number of homes and business premises in the Yukon heated by electricity?

Information from the Commission's own knowledge and procured from others is:
Homes heated by electricity—7; Business premises heated by electricity—3.

The Whitehorse Hospital and associated premises are heated part time, i.e. during certain hours of the day and during summer months when surplus hydro capacity is available, by steam generated in electric boilers supplied from the Commission's Whitehorse Rapids hydro plant.

Community	Houses for Indians		Total Electricity Services
	Houses Built	Wired for Electricity	
Carcross	1	8	69
Carmacks	14	9	57
Carmacks under construction	2	2	
Haines Junction	13	13	79
Watson Lake	—	36	203
Watson Lake (2½ Mile Post)	3	3	
Watson Lake under construction	1	1	
Teslin	25	22	68
Destruction Bay	—	15	39
Burwash Landing	8	12	
Beaver Creek	2	2	25
Old Crow	6	23*	40
Upper Liard	12	8	23
Upper Liard under construction	3	3	
Lower Post	8	5	8
Stewart Crossing	Nil	Nil	6
Pelly Crossing	24	22	38
Ross River	21	17	49
Keno City	Nil	Nil	45

*Several more being wired.

(Above information supplied by Department of Indian Affairs and Northern Development.)

conséquence, les comptes d'exploitation d'une année donnée peuvent présenter des différences considérables d'une usine à l'autre pour ce qui est du rapport revenu net-ventes.

Dans le cas de Mayo, le tarif du courant fourni au principal utilisateur minier a été maintenu à un niveau qui se justifiait il y a quelques années, époque où furent accumulés d'importants excédents en raison d'une consommation supérieure aux prévisions budgétaires, mais qui n'est plus suffisant pour les conditions actuelles de charge et de coût. Aussi a-t-on prévu un budget déficitaire pour l'exploitation du réseau de Mayo, l'idée générale étant de réduire les excédents sans changer le tarif, en attendant de connaître avec précision les besoins futurs des sociétés minières actuelles. En conséquence, cette exploitation a accusé, en 1967-1968, un déficit d'environ $60,000.

Dans le cas de l'exploitation de Whitehorse, une augmentation non imprévue de la charge a entraîné, en 1967-1968, un excédent d'environ $130,000. Cependant, en raison des prévisions touchant cette augmentation, on a été amené à accroître la puissance installée. Les travaux ont commencé dans l'année financière 1967-1968, mais leur incidence n'apparaîtra pas dans les comptes d'exploitation avant 1969-1970. Il y aura donc accumulation des excédents pendant les années 1967-1968 et 1968-1969 en attendant que se manifeste le contrecoup de l'agrandissement de la centrale et de l'escalade générale des frais d'exploitation. Selon les prévisions courantes, le régime actuel des tarifs restera valable en 1969-1970 et au moins quelques années encore, pourvu que les excédents accumulés avant 1969-1970 servent à augmenter le fonds de prévoyance, compte tenu des installations supplémentaires, conformément à la ligne de conduite adoptée pour satisfaire aux exigences de la Loi.

7. Renseignements sur le nombre de maisons construites au Yukon à l'intention des Indiens et pourvues de l'électricité, et sur le nombre total de branchements sur le réseau électrique.

8. A-t-on offert de vendre à la CENC la ligne de transport de courant reliant Bear Creek à Dawson City pour $11,000?

La Commission a bien reçu une offre de ce genre, mais aucune suite n'y a été donnée du fait que le vendeur, ou son agent, avait toujours besoin de courant à Bear Creek et que c'est à partir de Dawson qu'il aurait pu être approvisionné dans les meilleures conditions par la ligne en question. Si la Commission l'avait achetée elle aurait dû reconsidérer les tarifs de l'énergie fournie à Bear Creek pour tenir compte de son prix de revient. Or, il était difficile de savoir combien de temps durerait la demande à Bear Creek. Il a été par la suite convenu d'approvisionner Bear Creek par la ligne existante aux tarifs de Dawson, sans rien facturer à la CENC pour ladite ligne.

9. Combien de logements ou de locaux commerciaux du Yukon ont le chauffage électrique?

Voici les renseignements obtenus de la Commission et d'autres sources:

Logements à chauffage électrique—7;
Locaux commerciaux à chauffage électrique—3.

Localité	Maisons destinées aux Indiens		Total des branchements électriques
	Construites	Raccordées au secteur	
Carcross	1	8	69
Carmacks	14	9	57
Carmacks (en construction)	2	2	—
Haines Junction	13	13	79
Watson Lake	—	36	203
Watson Lake (borne milliaire 2½)	3	3	—
Watson Lake (en construction)	1	1	—
Teslin	25	22	68
Destruction Bay	—	15	39
Burwash Landing	8	12	
Beaver Creek	2	2	25
Old Crow	6	23*	40
Upper Liard	12	8	23
Upper Liard (en construction)	3	3	—
Lower Post	8	5	8
Stewart Crossing	Néant	Néant	6
Pelly Crossing	24	22	38
Ross River	21	17	49
Keno City	Néant	Néant	45

*plusieurs autres en voie de raccordement.

(Renseignements fournis par le ministère des Affaires indiennes et du Nord canadien)

The United Keno Hill Mines business and residential quarters at Elsa, Yukon, are heated by steam produced in an electric boiler supplied from the Commission's Mayo River Hydro Plant.

10. Employment of Native Indians in NCPC operations at—

Dawson—Nil; Mayo—1; Whitehorse—Nil.

11 & 12 Attached

13. Copy attached.

POWER AGREEMENT WITH PLAINS WESTERN GAS AND ELECTRIC
(re Yellowknife, N.W.T.)

The original agreement for supply of power for distribution to consumers in the Yellowknife townsite was with the Yellowknife Power Company Limited. The Yellowknife Power Company was taken over by Plains Western Gas and Electric Company Limited in 1955.

A draft agreement was prepared in 1961 but was not executed because of certain administrative complications that had arisen in connection with the operation of a diesel standby plant that the Commission had constructed in Yellowknife. Since the intent of the draft agreement was that the Commission would supply the entire power demand of the Yellowknife area, and the cost at which power is supplied is controlled by the NCPC Act, there was no particular concern on the part of either Plains Western Gas and Electric Company or the Northern Canada Power Commission concerning the execution of a new agreement. Certain technical considerations concerning physical arrangements for transmission of power to the Plains Western Gas and Electric Company substation have been under review but difficult to resolve because of changing conditions in Yellowknife and have militated against the executing of a new agreement. The original agreement and a draft of the proposed new agreement, attached, are submitted to illustrate the basis on which power is supplied. The current rate for power supplied to Plains Western Gas and Electric Company Limited is 1.1c/kwhr for all power except that consumed by separately metered electric hot water tanks for which the rate is 1.0c/kwhr; this results in average cost to the retailing company of approximately 1.07c/kwhr.

NORTHWEST TERRITORIES POWER COMMISSION

AGREEMENT BETWEEN

NORTHWEST TERRITORIES POWER COMMISSION AND YELLOWKNIFE POWER COMPANY LIMITED

DECEMBER 31st 1951.

(AMENDING AGREEMENT DATED JUNE 1st, 1949.)

THIS AGREEMENT made in duplicate this thirty-first day of December 1951.
BETWEEN:

THE NORTHWEST TERRITORIES POWER COMMISSION, a body corporate having its main office in the City of Ottawa, in the Province of Ontario, hereinafter called "the Commission"

OF THE FIRST PART

—AND—

YELLOWKNIFE POWER COMPANY LIMITED, of Yellowknife, Northwest Territories, hereinafter called the Company"

OF THE SECOND PART

WHEREAS by agreement dated the 1st day of June 1949, (hereinafter called the "original agreement") the Commission agreed to reserve for and deliver to the Company a quantity of 8-phase electrical power from its Snare River hydro-electric power plant for a term ending the 11th day of September, 1951.

AND WHEREAS the original agreement provides that upon request of the Company the Commission will renew the original agreement for a further term of ten years ending September 11th, 1961, subject to renewal of the Commission's agreement with the Consolidated Mining and Smelting Company of Canada Limited (hereinafter called Cominco) dated the 1st day of September 1948, pertaining to the transmission of power over Cominco's transmission line for delivery to the Company.

L'hôpital de Whitehorse et ses annexes sont chauffés à temps partiel, c'est-à-dire au cours de certaines heures de la journée et pendant les mois d'été, lorsqu'il y a puissance excédentaire, par la vapeur produite dans des chaudières électriques alimentées par la centrale hydro-électrique des rapides de Whitehorse, qui appartient à la Commission.

L'entreprise *United Keno Hill Mines* et les quartiers résidentiels d'Elsa (Yukon) sont chauffés par la vapeur produite dans une chaudière électrique alimentée par la centrale hydro-électrique de la rivière Mayo, qui appartient aussi à la Commission.

10. Nombre d'Indiens employés par la CENC à:

Dawson—Néant; Mayo—1;

Whitehorse—Néant.

11 et 12—Pièces jointes.

13. Pièce jointe.

ACCORD CONCLU AVEC LA SOCIÉTÉ PLAINS WESTERN GAS AND ELECTRIC POUR LA FOURNITURE D'ÉLECTRICITÉ

(au sujet de Yellowknife (T. N.-O.))

L'accord initial en vue de la fourniture d'électricité pour distribution aux usagers du lotissement urbain de Yellowknife a été passé avec la *Yellow Knife Power Company Limited*. Toutefois, en 1955, cette dernière société a été prise en main par la *Plains Western Gas and Electric Company*.

Un projet d'accord a été établi en 1961, mais il ne s'est pas réalisé, par suite de difficultés administratives relativement à l'exploitation d'une usine diesel de secours construite par la Commission à Yellowknife. Comme la Commission s'engageait, en vertu de ce projet d'accord, à alimenter en électricité toute la région de Yellowknife, le coût d'un tel service étant régi par la Loi créant cette Commission, ni la *Plains Western Gas and Electric Company* ni la Commission en question ne se sont intéressées particulièrement à la préparation d'un nouveau projet d'accord. On a examiné certains aspects techniques relatifs aux aménagements matériels de transmission d'énergie à la sous-station de la *Plains Western Gas and Electric Company*, mais les difficultés éprouvées ont milité contre la conclusion d'un nouvel accord. Afin d'illustrer la façon dont l'électricité est fournie, on trouvera ci-jointes une copie du texte de l'accord initial, ainsi qu'une copie de l'ébauche du nouvel accord proposé. Le tarif actuel de l'énergie fournie à la *Plains Western Gas and Electric Company* s'établit à 1.1¢/kWh pour tout genre d'énergie, à l'exception de celle que consomment les réservoirs d'eau chaude mus à l'électricité et dotés de compteurs distincts, dont le tarif s'établit à 1.0c/kWh; il en résulte que le prix de revient moyen de la société distributrice est d'environ 1.07¢ kWh.

COMMISSION D'ÉNERGIE DU NORD CANADIEN

CONVENTION PASSÉE ENTRE LA COMMISSION D'ÉNERGIE DU NORD CANADIEN ET

LA YELLOWKNIFE POWER COMPANY LIMITED,

LE 31 DÉCEMBRE 1951.

(ACTE DE MODIFICATION DATÉ DU 1er JUIN 1949.)

LA PRÉSENTE CONVENTION faite en double exemplaire ce 31e jour de décembre 1951

ENTRE:

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST, organisme constitué en société, ayant son siège en la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»

D'UNE PART

et

LA YELLOWKNIFE POWER COMPANY LIMITED, de Yellowknife (Territoires du Nord-Ouest), ci-après appelée «la Société»,

D'AUTRE PART

CONSIDÉRANT QUE, par une convention datée du premier jour de juin 1949 (ci-après appelée «la convention initiale»), la Commission a accepté de réserver pour la Société et de lui fournir, jusqu'au 11 septembre 1951, une quantité d'énergie électrique par courant triphasé, provenant de sa centrale hydro-électrique de la rivière Snare,

ET CONSIDÉRANT QUE, selon les dispositions de la convention initiale, la Commission renouvellera, sur demande de la Société, ladite convention pour une autre période de dix ans se terminant le 11 septembre 1981, sous réserve du renouvellement de l'accord conclu par la Commission avec la *Consolidated Mining and Smelting Company of Canada Limited*) ci-après appelée la Cominco), en date du 1er jour de septembre 1948, au sujet de la transmission d'énergie par la ligne de transmission de la Cominco, pour fins de fourniture à la Société

AND WHEREAS in the said Agreement dated the first day of September, 1948, made with Cominco, it is provided that the said Agreement, dated the first day of September 1948, shall remain in force until the end of the 11th day of September 1951 and shall continue thereafter for further periods of one year unless twelve months notice of termination is given by either party, which notice may be given so as to terminate the Agreement on the 11th day of September 1951, or on the 11th day of September 1951, or on the 11th day of September of any year thereafter.

AND WHEREAS the Company has requested an extension of the original Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

1. Said Agreement dated the first day of June, 1949, between the Parties hereto is amended by the deletion of Paragraph 15 and by the substitution therefor of the following paragraph:

> "15. This Agreement shall continue in force until the 11th day of September 1961, subject to termination by the Commission on eleven months' notice in writing. A registered letter or prepaid telegram to such effect, addressed to the General Manager of the Company, shall be good notice under this paragraph. If notice is given to the Company on the fourth day after mailing, or, if given by telegram on the day of the despatch of the said telegram."

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

THE NORTHWEST TERRITORIES POWER COMMISSION

(sgd.) E.W. Humphrys — (sgd.) J.M. Wardle

Witness — Chairman

YELLOWKNIFE POWER COMPANY LIMITED

(sgd.) Frank J. Simington

Witness

(sgd.) S. R. Kaufman

CN Telegram
Messrs. Milner, Steer, Hyde & Co.,
Royal Bank Chambers,
Edmonton, Alberta.

The Northwest Territories Power Commission hereby consents to a deed of trust and mortgage made the first day of October nineteen fifty one between the Yellowknife Power Company Limited and others and the Montreal Trust Company as trustees in so far only as the said deed trust and mortgage constituted an assignment of an agreement between the Northwest Territories Power Commission and Yellowknife Power Company Limited dated the first day of June nineteen forty nine reserving all rights powers and remedies save only the right to forfeit the same by reason of the making of the said assignment by way of mortgage subject to the rights or interest of any third party.

J. M. Wardle,
Chairman,
Northwest Territories Power
Commission.

The above wording dictated by Mr. Mason, Departmental Solicitor and is identical to telegram dispatched by Department in regard to departmental interests.

"IS YOUR MESSAGE COMPLETE? EXTRA WORDS COST ONLY A FEW CENTS."

THIS AGREEMENT made in duplicate this first day of June, A.D. 1949.
BETWEEN:

> THE NORTHWEST TERRITORIES POWER COMMISSION, a body corporate having its head office in the City of Ottawa, in the Province of Ontario, hereinafter called "the Commission"
>
> OF THE FIRST PART.
>
> —and—
>
> YELLOWKNIFE POWER COMPANY LIMITED, of Yellowknife, Northwest Territories, hereinafter called "the Company"
>
> OF THE SECOND PART.

WHEREAS the Commission is prepared to sell power at 33,000 volts, more or less, to the Yellowknife Power Company for use under the terms of its franchise in the town of Yellowknife in the Northwest Territories, and

WHEREAS the Company desires to purchase electrical power from the Commission.

NOW THEREFORE this Agreement witnesseth;—

1. The Commission agrees to reserve for the Company a quantity of 3-phase electrical power, at a pressure of approximately 33,000 volts and a frequency of approximately 60 cycles per second, up to 400 kilovolt amperes. The Commission further agrees, that if the Company requires more than 400 kilovolt

ET CONSIDÉRANT UE ladite convention passée avec la Cominco, le premier jour de septembre 1948, prévoit que l'accord demeurera en vigueur jusqu'à la fin du 11e jour de septembre 1951 et continuera par la suite d'être valide pour des périodes d'une année à la fois, à moins que l'une des deux parties ne donne avis à l'autre, au moins douze mois d'avance, de sa décision de mettre fin à la convention, avis qui pourra être donné de façon que la convention se termine le 11e jour de septembre 1951 ou le 11e jour de septembre de toute année subséquente

ET CONSIDÉRANT QUE la Société a demandé une prolongation de la Convention initiale.

IL EST CONVENU, PAR LA PRÉSENTE CONVENTION, DE CE QUI SUIT:

1. Ladite convention, datée du 1er jour de juin 1949, passée entre les parties en présence, est modifiée par la suppression de l'alinéa 15 et son remplacement par l'alinéa suivant:

«15. La convention en question demeurera en vigueur jusqu'au 11e jour de septembre 1961, sous réserve de résiliation par la Commission, au moyen d'un avis donné par lettre, il sera réputé avoir été présent alinéa, l'avis pourra être donné par lettre recommandée ou par télégramme payé d'avance envoyé au directeur général de la Société. Si l'avis est donné par lettre, il sera réputé avoir été remis à la Société le 4e jour suivant la mise à la poste et s'il est donné par télégramme, le jour même de l'envoi dudit télégramme.

EN FOI DE QUOI les parties en présence ont signé la présente convention.

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST

(Signature) E. W. Humphrys
(Signature) J. M. Wardle
Président

YELLOWKNIFE POWER COMPANY
(Signature) Frank J. Simington
Témoin
(Signature) S. R. Kaufman

Commission d'énergie des
Territoires du Nord-Ouest
255, rue Sparks
Ottawa (Ontario)

MM. Milner, Steer, Hyde & Co.
Royal Bank Chambers
Edmonton (Alberta)

La Commission d'énergie des Territoires du Nord-Ouest approuve par les présentes l'acte de fidéicommis et d'hypothèques passé le premier jour d'octobre mille neuf cent cinquante et un, entre la *Yellowknife Power Company Limited* et autres personnes, ainsi que la *Montreal Trust Company* à titre de fidéicommissaires, dans la seule mesure toutefois où ledit acte de fidéicommis et d'hypothèque constitue une cession à l'égard d'une convention conclue entre la Commission d'énergie des Territoires du Nord-Ouest et la *Yellowknife Power Company Limited,* en date du premier jour de juin mille neuf cent quarante-neuf, laquelle réserve tout droit, pouvoir et recours, sauf le droit de perdre ces privilèges par exécution de ladite cession par voie d'hypothèque au profit d'un tiers quelconque.

Le président,
Commission d'énergie des
Territoires du Nord-Ouest
J. M. Wardle

Le texte ci-dessus a été dicté par M. Mason, chef du contentieux du Ministère, et il est semblable au télégramme envoyé par le Ministère relativement aux droits de ce même Ministère.

LA PRÉSENTE CONVENTION faite en double exemplaire ce premier jour de juin 1949

ENTRE:.

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST, organisme constitué en société, ayant son siège social en la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»,

D'UNE PART

et

LA YELLOWKNIFE POWER COMPANY LIMITED, de Yellowknife, (Territoires du Nord-Ouest), ci-après appelée «la Société»,

D'AUTRE PART

CONSIDÉRANT QUE la Commission est disposée à vendre à la *Yellowknife Power Company* 33,000 volts d'énergie électrique, plus ou moins, pour utilisation en vertu des modalités de la concession qu'elle possède dans la ville de Yellowknife, dans les Territoires du Nord-Ouest,

ET CONSIDÉRANT QUE la Société désire acheter de l'énergie électrique à la Commission,

IL EST CONVENU, PAR LA PRÉSENTE CONVENTION, de ce qui suit:

1. La Commission consent à réserver à l'usage de la Société une quantité d'énergie électrique de courant triphasé, d'une tension approximative de 33,000 volts, d'une fré-

amperes from the Commission the Commission will supply such extra power as available. The supply of such extra power will be subject to the load capacity of the Consolidated Mining and Smelting Company's transmission line between its point of connection with the Snaro River power system and the points at which power is delivered to the Company.

2. Delivery of power shall be taken by the Company at the points where it is already taking power from Consolidated Mining and Smelting Company's transmission line, and at any such points as may be added.

3. Measurement of power shall be computed by the Commission from the meter records of the metering equipment installed at all points of delivery on the low tension side of the Company's step-down transformers, such metering equipment to be provided and maintained to the Commission's satisfaction at the Company's expense. The quantity of power deemed to be delivered by the Commission to the Company in any month shall be computed by deducting from the total number of kilowatt hours delivered to the Company, as indicated by meters installed at the points of delivery, the number of kilowatt hours represented by the 95 kilowatts of continuous power which the Consolidated Mining and Smelting Company Limited is entitled to deliver to the Company as set forth in the Agreement between the Company and the Consolidated Mining and Smelting Company, Limited, dated the 17th day of September 1941 A.D.

4. The Company shall pay for all power delivered to it by the Commission at the rate of two cents (2c) per kilowatt hour net as measured and computed in the manner outlined in section 3 hereof. *Payment shall be made monthly to the Commission at its office at Ottawa within 20 days after the Commission has rendered its account therefore, and cheques of the Company submitted in payment will be accepted at par.*

5. It is agreed that either the Commission or the Company may install at its own expense, check meters at any point of delivery referred to in section 2 hereof.

6. It is agreed that any metering equipment provided in accordance with section 3 hereof for the measurement of power delivered to the Company may, at the Company's instigation, or at the request of the Commission, be tested or calibrated by the proper officials of the Department of Trade and Commerce of Canada. If the test is requested by the Commission and the metering equipment is found to be accurate within the limits specified from time to time by that Department, the expense of the test shall be borne and paid for by the Commission. If any metering equipment is found to be not accurate within the limits specified by the Department of Trade and Commerce it shall be corrected or replaced forthwith by equipment that is accurate, and the expense of the test and of correcting and replacing the meter shall be borne by the Company. The Commission shall not be responsible for the expenses of any tests conducted at the Company's instigation.

7. If the error in any metering equipment exceeds the prescribed limits, the accounts for power delivered by the Commission to the Company during the three (3) calendar months preceding the test shall be corrected as necessary to compensate for the error in the metering equipment. Such correction shall be accepted by both the Company and the Commission as settlement in full to the date of the test of all claim on account of the inaccuracy of the metering equipment.

8. If at any time there is a meter not in service it will be assumed that the amount of power delivered during that period by the Commission is the same as that delivered for the same period in the same month of the previous year.

9 (a) Except when necessary for the protection of life and property, the Company shall not permit any metering equipment referred to in section 3 hereof to be disconnected, removed, replaced or reconnected, without advance notification to the Commission or the Commission's authorized representative of the intentions and reasons for such action to be taken. Such notification must be given sufficiently in advance to permit the Commission's representative to read the meter or meters before being disconnected from or connected to the associated equipment.

9 (b) If any of the metering equipment herein referred to becomes damaged from any cause, or, for the protection of life or property, is removed from service without prior notification to the Commission, the Company shall, without delay, advise the Commission in full detail of the occurrence and the Company shall not permit any meter that is a part of such metering equipment to be shipped out of

quence d'environ 60 cycles par seconde et d'une intensité pouvant atteindre 400 kilovolts-ampères. De plus, la Commission s'engage à fournir à la Société une intensité d'énergie supérieure à 400 kilovolts-ampères, si cette Société le lui demande et si elle dispose d'une telle énergie. La fourniture de cette énergie supplémentaire se fera sous réserve de la capacité de charge de la ligne de transmission de la *Consolidated Mining and Smelting Company*, entre son poste de raccord au réseau électrique de la rivière Snare et les postes où l'énergie sera fournie à la Société.

2. La Société fournira son énergie à partir des postes de la ligne de transmission de la *Consolidated Mining and Smelting Company*, qu'elle utilise déjà, ainsi que de tout poste qui pourrait être ajouté.

3. La mesure de l'électricité sera effectuée par le Commission par le relevé des compteurs faisant partie du matériel de mesurage installé à tous les postes de fourniture, et la lecture se fera du côté des transformateurs réducteurs de tension de la Société où la charge est de faible intensité, un tel matériel devant être fourni et entretenu à la satisfaction de la Commission et aux frais de ladite Société. La quantité d'énergie réputée avoir été fournie à la Société par la Commission, au cours de tout mois donné, sera calculée en déduisant du nombre global de kilowatts-heures fournis à la Société, comme il apparaîtra aux compteurs installés aux divers postes d'alimentation, le nombre de kilowatts-heures assuré par les 95 kilowatts de pouvoir continue que la *Consolidated Mining and Smelting Company* est autorisée à fournir à la Société, comme il est établi dans la convention conclue entre la Société et la *Consolidated Mining and Smelting Company, Limited*, datée du 17e jour de septembre 1941.

4. La Société paiera un taux net de deux cents (2c.) par kilowatt-heure de tout genre d'énergie qui lui sera fournie par la Commission, cette énergie étant mesurée et évaluée de la façon énoncée à l'article 3 des présentes. *Remarque—Les paiements seront faits à la Commission, tous les mois, à son bureau d'Ottawa, dans les 30 jours suivant la réception du compte pertinent de ladite Commission, les chèques de la Société étant acceptés au pair.*

5. Il est convenu que soit la Commission soit la Société pourront installer, à leur propres frais, des compteurs de contrôle à tout poste de service dont il est question à l'article 2 des présentes.

6. Il est convenu que tout matériel de mesurage fourni conformément à l'article 3 des présentes, à l'égard de l'énergie fournie à la Société, pourra, à l'instigation de la Société ou sur la demande de la Commission, être vérifié ou étalonné par les fonctionnaires appropriés du ministère du Commerce. Si l'examen de contrôle est demandé par la Commission et que l'on constate que le matériel de mesurage répond aux conditions spécifiées de temps à autre par le même Ministère, la Commission assumera les frais de son exécution. Si une partie quelconque de ce matériel ne répond pas à ces conditions, elle devra être corrigée ou remplacée immédiatement par du matériel précis, le coût de l'examen de contrôle, de la correction ou du remplacement devant être assumé par la Société. La Commission ne sera aucunement responsable à l'égard des frais occasionnés pour toute vérification effectuée à l'instigation de la Société.

7. Lorsqu'une erreur enregistrée par le matériel de mesurage dépasse les limites spécifiées, les comptes de l'électricité fournie à la Société par la Commission, au cours des trois (3) mois de l'année civile précédant l'examen de contrôle, devront être rectifiés en conséquence en guise de dédommagement pour cette erreur. Une telle rectification devra être considérée, tant par la Société que par la Commission, comme un règlement global jusqu'à la date de l'examen de contrôle et, partant, comme une renonciation à toute réclamation pour cause d'inexactitude du matériel de mesurage.

8. Si, à tout moment donné, un compteur ne fonctionne pas, on supposera que la quantité d'électricité que la Commission a fournie au cours de cette période est la même que celle qu'elle a fournie au cours de la même période, pendant le même mois, au cours de l'année précédente.

9a) Sauf lorsque la protection de la vie et de la propriété le justifie, la Société ne permettra pas que le matériel de comptage mentionné dans l'article 3 du présent document soit débranché, retiré, réinstallé ou rebranché sans que l'on ait d'abord prévenu la société ou le représentant autorisé de la Société des raisons qui justifient de telles mesures. Il faut avertir assez longtemps à l'avance pour permettre au représentant de la Commission de prendre le relevé du compteur ou des compteurs avant qu'on les sépare du matériel associé ou qu'on les y branche.

9b) S'il arrivait sans que la Commission ait été d'abord prévenue, que le matériel de comptage susmentionné soit endommagé ou qu'il soit mis hors de service pour une raison ou l'autre, ou lorsque la protection de la vie et de la propriété entrent en jeu, la Société prendra les mesures suivantes. Elle fera part sans délai de tous les détails à la Commission, et la Société ne permettra pas

Yellowknife or to be disposed of in any manner without first arranging for the Commission's representative to examine the meter for the purpose of recording the meter reading.

10. The Company agrees with the Commission that the Company will so regulate the load imposed on the Commission's power system that the power factor of the load will not be less than 85%; and that if the power factor falls below 85% and the Commission requests the Company to correct the same the Company will forthwith make the required correction; and that the Company will operate its electrical equipment, machinery, plant and works safely and properly and carry on its operations in a manner which will cause no undue disturbance to the Commission's power system.

11. The Company agrees with the Commission that the Company will not connect any motor or other electrical apparatus which uses power in excess of 10 H.P. to any transmission line or other part of the Company's distribution system without first notifying the Commission in writing.

12. The Company agrees with the Commission that at all reasonable times during the term of this agreement the Company will allow the Commission's employees or agents appointed for the purpose to enter in and upon the Company's buildings and premises for the purpose of inspecting the Company's electrical equipment, machinery, plant and works, and of reading the meters referred to in section 3 hereof.

13(a) The Commission shall exercise all diligence and care to deliver power without interruptions, but nevertheless, the Commission will not be liable for any loss or damage which may result from any interruptions whatsoever in the delivery thereof.

13(b) If at any time the delivery of power is interrupted by any cause reasonably beyond the Commission's control including (but without limiting the generality thereof) strike, lockout, riot, fire, explosion, the elements, insurrection, civil commotion, invasion, the King's enemies, Act of God, or any law or regulation affecting the delivery of power, then the Commission shall not be bound to deliver power during the interruption. In any such case the Commission shall be prompt and diligent in restoring the delivery of power and the Company shall take and pay for the same as provided for in this Agreement.

13(c) The Commission shall have the right at all reasonable times, giving notice to the Company whenever possible, to discontinue the supply of power to the Company to the extent deemed necessary by the Commission for the purpose of safeguarding life or property or for the purpose of the operation, maintenance, replacement, or extension of the Commission's apparatus, equipment, or works, but all such interruptions shall be of the shortest possible duration and, when possible, shall be arranged for at a time least objectionable to the Company.

14. The liability of the Commission shall cease at the points of delivery as defined in paragraph 2 and the Company shall save the Commission harmless from and indemnify the Commission against all claims, demands, actions and suits for damage to property or injury to persons arising out of or in connection with the construction, maintenance or operation of the Company's transmission lines or distribution system.

15. The terms of this agreement shall be effective with the completion of the Commission's power line, and associated installations, connecting the Commission's Snare River Power System to the Consolidated Mining and Smelting Company's transmission line extending from Bluefish Lake through the town of Yellowknife, and shall terminate on the 11th day of September 1951; provided that, on the Company's request and subject to the renewal of the Commission's agreement with the Consolidated Mining and Smelting Company as applying to the transmission of power over the Consolidated Mining and Smelting Company's transmission line which expires on September 11th, 1951, the Commission will renew this agreement on the same terms as stated herein to September 11th, 1961.

16. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed these presents.

THE NORTHWEST TERRITORIES POWER COMMISSION

Witness
Marion E. Hay

Jim Wardle
Chairman

YELLOWKNIFE POWER COMPANY LIMITED

G. McNeill
Managing Director

Witness

J. R. Turner
Secretary

qu'aucun compteur faisant partie du matériel de comptage soit expédié à Yellowknife ou écoulé de quelque façon que ce soit sans avoir pris des dispositions pour qu'un représentant de la Commission examine le compteur et en prenne le relevé.

10. La Société convient avec la Commission que la Société réglementera la charge imposée au réseau d'énergie de la Commission, afin que le facteur de puissance de la charge ne soit pas inférieur à 85 p. 100. Advenant que le facteur de puissance soit inférieur à 85 p. 100, si la Commission demande à la Société de corriger la situation, la société agira en conséquence. La Société exploitera son matériel électrique, les machines, l'usine et les travaux d'une façon sûre, l'exploitation devant se faire de manière à ne nuire aucunement au réseau d'énergie de la Commission.

11. La Société convient avec la Commission que la Société ne branchera aucun moteur ou autre appareil électrique utilisant plus de 10 HP à une ligne de transmission ou à tout autre secteur du réseau de distribution de la Société, sans avoir d'abord prévenu la Commission par écrit.

12. La Société convient avec la Commission qu'en temps opportun pendant la durée de cette entente, la société permettra aux employés de la Commission, ou aux agents nommés à cette fin, de pénéter dans les bâtiments de la Société en vue d'inspecter le matériel électrique de la société, les machines l'usine et les travaux et afin de prendre le relevé des compteurs mentionnés dans l'article 3 du présent documemnt.

13a) La Commission prendra toutes les précautions voulues pour fournir l'électricité sans interruptions. Néanmoins, la Commission ne se porte pas responsable des pertes ou des dommages pouvant résulter des interruptions.

13b) S'il advenait que l'électricité soit coupée à la suite d'événements échappant au pouvoir de la Commission, y compris (mais sans en limiter le caractère général) les grèves, les lock-out, les émeutes, les incendies, l'explosion, les éléments, les insurrections, l'agitation civile, les invasions, les ennemis du Roi, un cas de force majeure, ou toute loi ou règlement ayant des répercussions sur la distribution de l'électricité, la Commission ne sera pas tenue de fournir l'électricité pendant l'interruption. Dans tout cas de ce genre, la Commission s'empressera de rétablir le courant et la Société payera les services, comme le prévoit la présente entente.

13c). La Commission aura le droit, en temps opportun, autant que possible après avoir prévenu la Société, de cesser la distribution de l'énergie à la Société pour une période jugée nécessaire par la Commission à des fins de protection de la vie ou de la propriété ou à des fins d'exploitation, d'entretien, de remplacement ou d'accroissement des appareils, du matériel ou des travaux de la Commission. Ces interruptions seront toutefois aussi brèves que possible et elles seront normalement prévues à des moments qui conviennent le mieux à la Société.

14. La responsabilité de la Commission cessera aux points de distribution, comme le définit l'article 2, et la Société garantira la Commission contre toutes les réclamations, exigences, actions et poursuites en justice résultant de dommages faits à la propriété ou de blessures corporelles subies lors de la construction, de l'entretien ou de l'exploitation des lignes de transmission de la Société ou du réseau de distribution.

15. Les conditions de la présente entente entreront en vigueur lorsqu'on aura achevé l'érection de la ligne d'énergie de la Commission, ainsi que les installations connexes reliant le réseau de distribution d'énergie de la rivière Snare, appartenant à la Commission, à la ligne de transmission de la *Consolidated Mining and Smelting Company*, qui va du lac Bluefish jusqu'à la ville de Yellowknife. Ces conditions cesseront d'exister le 11e jour du mois de septembre 1951; sauf si, à la demande de la Société et grâce au renouvellement de l'entente de la Commission avec la *Consolidated Mining and Smelting Company* relativement à la transmission de l'énergie sur la ligne de transmission de la *Consolidated Mining and Smelting Company* qui expire le 11e jour de septembre 1951, la Commission renouvelle la présente entente, aux conditions mentionnées dans le présent document, pour une période se terminant le 11 jour de septembre 1961.

16. La présente entente entrera en vigueur à l'avantage des parties mentionnées et les liera, de même que leurs successeurs et mandataires respectifs.

Les parties ont signé les présentes devant témoins.

LA COMMISSION D'ÉNERGIE DES TERRITOIRES DU NORD-OUEST

Témoin
Marion E. Hay

Président
Jim Wardly

LA COMMISSION D'ÉNERGIE DE YELLOWKNIFE

Directeur
G. McNeill

Témoin

Secrétaire
J. R. Turner

THIS AGREEMENT made in duplicate this day of September A. D. 1961.

BETWEEN:

THE NORTHERN CANADA POWER COMMISSION, a body corporate having its head office, in the City of Ottawa in the Province of Ontario, hereinafter called "the Commission"

OF THE FIRST PART

—and—

PLAINS WESTERN GAS AND ELECTRIC COMPANY LIMITED, having its head office in the City of Edmonton in the Province of Alberta, hereinafter called "the Company"

OF THE SECOND PART

WHEREAS the Commission is prepared to sell electrical power at 34,500 volts, more or less, to the Plains Western Gas and Electric Company Limited for use under the terms of its franchise in the town of Yellowknife in the Northwest Territories, and

WHEREAS the Company desires to purchase electrical power from the Commission.

NOW THEREFORE this Agreement witnesseth:

1. The Commission agrees to reserve for the Company a quantity of 3-phase electrical power, at approximately 34,500 volts and a frequency of approximately 60 cycles per second, up to 2000 kilovolt amperes. The Commission further agrees, that if the Company requires more than 2000 kilovolt amperes from the Commission the Commission will supply such extra power as available. The supply of such extra power will be subject to the load capacity of the transmission line used for delivering power to the Company.

2. Delivery of power shall be taken by the Company at existing points of delivery and any other such points as may be approved by the Commission.

3. Measurement of power shall be computed by the Commission from the meter records of the metering equipment installed at all points of delivery on the low tension side of the Company's step-down transformers, such metering equipment to be provided and maintained to the Commission's satisfaction at the Company's expense. The quantity of power deemed to be delivered by the Commission to the Company in any month shall be computed by deducting the total number of kilowatt hours represented by the 95 kilowatts of continuous power which the Consolidated Mining and Smelting Company Limited presently delivers to the Company.

4. The Company shall pay for all power delivered to it by the Commission at the rate of two cents (2¢) per kilowatt hour net as measured and computed in the manner outlined in Section 3 hereof. Payment shall be made monthly to the Commission at its office at Ottawa within 30 days after the Commission has rendered its account thereof, and cheques of the Company submitted in payment will be accepted at par.

5. It is agreed that either the Commission or the Company may install at its own expense, check meters at any point of delivery referred to in Section 2 hereof.

6. It is agreed that any metering equipment provided in accordance with Section 3 hereof for the measurement of power delivered to the Company may, at the Company's instigation, or at the request of the Commission, be tested or calibrated by the proper officials of the Department of Trade and Commerce of Canada. If the test is requested by the Commission and the metering equipment is found to be accurate within the limits specified from time to time by that Department, the expense of the test shall be borne and paid for by the Commission. If any metering equipment is found to be not accurate within the limits specified by the Department of Trade and Commerce it shall be corrected or replaced forthwith by equipment that is accurate, and the expense of the test and of correcting and replacing the meter shall be borne by the Company. The Commission shall not be responsible for the expenses of any tests conducted at the Company's instigation.

7. If the error in any metering equipment exceeds the prescribed limits, the accounts for power delivered by the Commission to the Company during the three (3) calendar months preceding the test shall be corrected as necessary to compensate for the error in the metering equipment. Such correction shall be accepted by both the Company and the Commission as settlement in full to the date of the test of all claim on account of the inaccuracy of the metering equipment.

8. If at any time there is a meter not in service it will be assumed that the amount of power delivered during that period by the Commission is the same as that delivered for the same period in the same month of the previous year multiplied by a factor determined by comparing the previous three months consumption of the previous and current year.

CETTE ENTENTE faite en double ce jour de septembre 1961

ENTRE

LA COMMISSION D'ÉNERGIE DU NORD CANADIEN société constituée dont le bureau principal est situé dans la ville d'Ottawa, dans la province d'Ontario, ci-après appelée «la Commission»

D'UNE PART

— et —

PLAINS WESTERN GAS AND ELECTRIC COMPANY, LIMITED dont le siège social est situé dans la ville d'Edmonton, dans la province d'Alberta, ci-après appelée «la Société»

D'AUTRE PART

VU que la Commission est disposée à vendre 34,500 volts d'électricité, plus ou moins, à la *Plains Western Gas and Electric Company, Limited*, qui s'en servira en vertu de son droit de cité dans la ville de Yellowknife, dans les Territoires du Nord-Ouest, et

VU que la Société désire acquérir l'énergie électrique de la Commission.

Il est convenu, par la présente entente, de ce qui suit:

1. La Commission consent à réserver pour le compte de la Société une quantité d'électricité en courant triphasé d'environ 34,500 volts et d'une fréquence d'environ 60 cycles par seconde, avec un ampérage pouvant atteindre 2000 kilovolts. La Commission accepte en outre de fournir à la Société, si celle-ci en a besoin et si la Commission peut le faire, une quantité d'énergie supérieure à 2000 kilovolts-ampères. La distribution de cette énergie supplémentaire dépendra de la charge utile de la ligne de transmission qui sert à fournir l'énergie à la Société.

2. La Société recevra l'électricité à des points de distribution déjà existants et à tout autre point que la Commission aura approuvé.

3. La Commission mesurera l'électricité au moyen de compteurs installés à tous les points de distribution, d'après le fonctionnement à basse tension des transformateurs réducteurs de la Société. Les compteurs seront fournis et entretenus selon les normes de la Commission, aux frais de la Société. La quantité d'énergie qui devrait être distribuée par la Commission à la Société pendant un mois quelconque sera calculée en déduisant le nombre total de kilowatt-heures auquel équivalent les 95 kilowatts de courant continu que la *Consolidated Mining and Smelting Company Limited* distribue présentement à la Société.

4. La Société payera toute l'électricité qui lui est distribuée par la Commission au taux de deux (2) cents le kilowatt-heure net, suivant le mode de mesurage et de calcul exposé dans l'article 3 du présent document. Les paiements seront versés mensuellement à la Commission, à son bureau d'Ottawa, 30 jours après que la Commission aura présenté son compte. Les chèques soumis en paiement par la Société seront acceptés au pair.

5. Il est convenu que la Commission ou la Société peuvent installer à leurs propres frais des compteurs de vérification à n'importe quel point de distribution mentionné dans l'article 2 du présent document.

6. Il est convenu que tout le matériel de comptage fourni, aux termes de l'article 3 du présent document, en vue de mesurer l'électricité fournie à la société, peut, à l'instigation de la Société ou à la demande de la Commission, être vérifié ou mesuré par des représentants compétents du ministère fédéral du Commerce. Advenant que la vérification soit demandée par la Commission, dans les limites mentionnées de temps à autres par le Ministère, la Commission veillera à payer les dépenses de vérification si le matériel de comptage donne un mesurage exact. S'il arrivait que le matériel de comptage ne mesure pas avec exactitude, compte tenu des limites stipulées par le ministère du Commerce, le matériel sera réparé ou remplacé sans délai par un matériel qui puisse mesurer avec exactitude, les dépenses de vérification ainsi que celles de la correction et du remplacement, étant alors payées par la Société. La Commission ne payera aucune dépense occasionnée par des vérifications effectuées à la demande de la Société.

7. Si l'erreur due au matériel de comptage excède les limites prescrites, les comptes relatifs à l'électricité fournie à la Société par la Commission pendant les trois (3) mois de calendrier précédant la vérification seront rectifiés de façon à compenser l'erreur due au matériel de comptage. Les rectifications de ce genre seront acceptées tant par la Société que par la Commission comme règlement de tout compte jusqu'à la date de vérification pour toute réclamation découlant de l'inexactitude du matériel de comptage.

8. Si, à un moment quelconque, un compteur n'est pas en service, on présumera que la quantité d'électricité fournie par la Commission pendant cette période est égale à celle qui a été fournie pendant la même période de l'année précédente, multipliée par un facteur établi en comparant la consommation des trois mois précédents de l'année précédente avec les trois mois précédents de l'année en cours.

9(a) Except when necessary for the protection of life and property, the Company shall not permit any metering equipment referred to in section 3 hereof to be disconnected, removed, replaced or reconnected, without advance notification to the Commission or the Commission's authorized representative of the intentions and reasons for such action to be taken. Such notification must be given sufficiently in advance to permit the Commission's representative to read the meter or meters before being disconnected from or connected to the associated equipment.

9(b) If any of the metering equipment herein referred to becomes damaged from any cause, or, for the protection of life or property, is removed from service without prior notification to the Commission, the Company shall, without delay, advise the Commission in full detail of the occurrence and the Company shall not permit any meter that is a part of such metering equipment to be shipped out of Yellowknife or to be disposed of in any manner without first arranging for the Commission's representative to examine the meter for the purpose of recording the meter reading.

10. The Company agrees with the Commission that the Company will so regulate the load imposed on the Commission's power system that the power factor of the load will not be less than 85%; and that if the power factor falls below 85% and the Commission requests the Company to correct the same the Company will forthwith make the required correction; and that the Company will operate its electrical equipment, machinery, plant and works safely and properly and carry on its operations in a manner which will cause no undue disturbance to the Commission's power system.

11. The Company agrees with the Commission that the Company will not connect any motor or other electrical apparatus which uses power in excess of 10 H.P. to any transmission line or other part of the Company's distribution system without first notifying the Commission in writing.

12. The Company agrees with the Commission that at all reasonable times during the term of this agreement the Company will allow the Commission's employees or agents appointed for the purpose to enter in and upon the Company's electrical equipment, machinery, plant and works, and of reading the meters referred to in section 3 hereof.

13(a) The Commission shall exercise all diligence and care to deliver power without interruptions, but nevertheless, the Commission will not be liable for any loss or damage which may result from any interruptions whatsoever in the delivery thereof.

13(b) If at any time the delivery of power is interrupted by any cause reasonably beyond the Commission's control including (but without limiting the generality thereof) strike, lockout, riot, fire, explosion, the elements, insurrection, civil commotion, invasion, the Queen's enemies, Act of God, or any law or regulation affecting the delivery of power, then the Commission shall not be bound to deliver power during the interruption. In any such case the Commission shall be prompt and dilegent in restoring the delivery of power and the Company shall take and pay for the same as provided for in this Agreement.

13(c) The Commission shall have the right at all reasonable times, giving notice to the Company whenever possible, to discontinue the supply of power to the Company to the extent deemed necessary by the Commission for the purpose of safeguarding life or property or for the purpose of the operation, maintenance, replacement, or extension of the Commission's apparatus, equipment, or works, but all such interruptions shall be of the shortest possible duration and, when possible, shall be arranged for at a time least objectionable to the Company.

14. The liability of the Commission shall cease at the points of delivery as defined in paragraph 2 and the Company shall save the Commission harmless from and indemnify the Commission against all claims, demands, actions and suits for damage to property or injury to persons arising out of or in connection with the construction, maintenance or operation of the Company's transmission lines or distribution system.

15. The Commission is possessed of a standby diesel electric generating station located adjacent to the Company's No. 2 substation and is situated on the Company's leased land in the Municipal District of Yellowknife. The Company agrees to pay the costs of insurance coverage for fire and extended coverage valued at one hundred thousand dollars ($100,000.00) labour and supplies, fuel, lubricating oil, etc. and general day to day running maintenance.

9a) Sauf lorsque la protection de la vie ou de la propriété le justifie, la Société ne permettra pas que le matériel de comptage mentionné dans l'article 3 du présent document soit débranché, retiré, remplacé ou rebranché sans que l'on n'ait d'abord prévenu la Commission, ou le représentant autorisé de la Commission, des raisons qui ont entraîné de telles mesures. Les avis doivent être donnés assez à l'avance, afin que le représentant de la Commission puisse prendre le relevé du compteur ou des compteurs avant que ceux-ci ne soient débranchés du matériel associé ou qu'ils y soient branchés.

9b) Si quelque partie du matériel de comptage mentionné dans le présent document subit des dommages pour une raison ou pour une autre, ou si une partie du matériel est retirée à des fins de protection de la vie ou de la santé, sans que la Commission ait d'abord été prévenue, la Société devra avertir sans délai la Commission en donnant tous les détails requis. La Société ne permettra pas qu'un compteur faisant partie du matériel de comptage soit expédié à l'extérieur de Yellowknife ou soit écoulé de quelque façon que ce soit, sans qu'on ait d'abord permis au représentant de la Commission d'examiner le compteur afin d'en prendre le relevé.

10. La Société convient avec la Commission que la Société réglementera la charge imposée au réseau d'énergie de la Commission, de sorte que le facteur de puissance de la charge ne soit pas inférieur à 85 p. 100; et si, advenant que le facteur de puissance devienne inférieur à 85 p. 100, la Commission demande à la Société de remédier à la situation, la Société effectuera immédiatement la rectification requise; la Société exploitera le matériel électrique, les machines, l'usine et veillera aux travaux de façon à assurer la sécurité de tous et à ne pas déranger inutilement le réseau d'énergie de la Commission.

11. La Société convient avec la Commission que la Société ne branchera aucun moteur ou autre appareil électrique utilisant plus de 10 HP à une autre ligne de transmission ou à tout autre secteur du réseau de distribution de la Société sans avoir d'abord prévenu la Commission par écrit.

12. La Société convient avec la Commission que, pendant la durée de cette entente, la Société permettra aux employés ou aux agents de la Commission désignés à cette fin de pénétrer, en temps opportun, dans les bâtiments de la Société, afin d'inspecter le matériel électrique de la Société, les machines, l'usine et les travaux, et pour prendre le relevé des compteurs qui sont mentionnés dans l'article 3 du présent document.

13a) La Commission prendra toutes les précautions possibles afin de fournir l'électricité sans interruption. Néanmoins, la Commission ne se porte pas responsable des pertes ou des dommages qui pourraient résulter des interruptions.

13b) S'il advenait que l'électricité soit coupée à la suite d'événements échappant au pouvoir de la Commission, y compris (mais sans en limiter le caractère général) les grèves, les lock-out, les émeutes, les incendies, les explosions, les éléments, les insurrections, l'agitation civile, les invasions, les ennemis de la Reine, un cas de force majeure, ou toute Loi ou règlement ayant des répercussions sur la distribution de l'électricité, la Commission ne sera pas tenue de fournir l'électricité pendant l'interruption. Dans tout cas de ce genre, la Commission s'empressera de rétablir le courant et la Société continuera à payer pour les services fournis, comme le prévoit la présente entente.

13c) La Commission aura le droit, en temps opportun et autant que possible, après avoir prévenu la Société, de cesser la distribution de l'électricité à la Société dans la mesure où la Commission le juge nécessaire à des fins de protection de la vie ou de la propriété, ou à des fins d'exploitation, d'entretien, de remplacement, ou lorsqu'il s'agit soit d'augmenter l'importance des appareils et du matériel, soit d'intensifier les travaux de la Commission. Toutefois, toutes ces interruptions seront aussi brèves que possible et elles seront prévues à des moments qui conviennent le mieux à la Société.

14. La responsabilité de la Commission cessera aux points de distribution définis dans l'article 2, et la Société garantira la Commission contre toutes les réclamations, exigences, actions et poursuites en justice résultant de dommages faits à la propriété ou de blessures corporelles subies lors de la construction, de l'entretien ou de l'exploitation des lignes de transmission de la Société ou du réseau de distribution.

15. La Commission possède une centrale électrique diesel supplémentaire adjacente à la sous-station n° 2 de la Société et située sur des terres louées par la Société dans le district municipal de Yellowknife. La Société accepte de payer les frais d'assurance-incendie et les frais de protection supplémentaire s'élevant à cent mille dollars ($100,000), couvrant les travaux et les fournitures, le combustible, les lubrifiants et le reste, ainsi que les frais généraux d'entretien et d'exploitation.

16. The terms of this agreement shall be effective on the 11th day of September 1961 for a period of one year. With the consent of both parties this agreement may be renewed annually until the 10th day of September 1971.

17. This agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

IN WITNESS HEREOF the parties hereto have executed these presents.

THE NORTHERN CANADA POWER COMMISSION

Chairman

Witness

PLAINS WESTERN GAS & ELECTRIC COMPANY LIMITED

Witness

COMPARISON OF NORTHERN CANADA POWER COMMISSION AND INVESTOR OWNED UTILITY POWER RATES IN NORTHWEST TERRITORIES AND YUKON TERRITORY

Tables 1 and 2 (copies attached) compare fuel costs and power rates applicable to a number of small (under 800,000 kwhrs/annum) investor owned diesel plants in Northern Alberta (2) and the Yukon (4) with the Northern Canada Power Commission operation at Fort Resolution, N.W.T.

The figures quoted in Table 1 are not disputed but the monthly bills for various amounts of power at Fort Resolution are in error to the extent that the prompt payment discount has not been correctly computed. The correct charges are shown on the attached copy of Table 2.

The comparison per Table 1 is meaningful only to the extent that it indicates that the cost of fuel per kilowatt hour generated is, with one exception (Wabassa, Alberta—1.34) of the same order (2.0 to 2.4c./kwhr) at six of the sites mentioned. Hoever, the cost of fuel is not the most important cost element in the operation of an individual diesel plant. Because the Commission does not have access to the detailed cost breakdown of the investor owned utilities it can only submit a breakdown with respect to its own operation at Fort Resolution, which for the year 1965-66 was as follows:

Cost Element	Total	Per KWHR Sold
Employee wages and accommodation	$26,756	5.0¢/kwhr
Fuel	11,389	2.2
Capital Charges	8,617	1.6
Equipment Maintenance	2,307	.4
Miscellaneous	3,306	.6
	$52,330	9.8¢
Administration, Supervision and General Overhead	4,150	.77
	$56,480	10.57¢/kwhr
Surplus	5,178	.96
	$61,658	11.53¢/kwhr

The above illustrates that the largest cost factor of the Fort Resolution operation is that relating to operating staff. The surplus of $5,178 represented nearly 1c./kwhr sold, but in the light of escalating costs, it was not considered sufficient to permit a rate reduction at that time—subsequent events have shown this to be correct.

In comparing the costs, and hence the rates, of the Fort Resolution operation with those of the other communities listed in these two tables, it must be recognized that Fort Resolution is a very isolated community which, until recently, was accessible only twice (sometimes only once) per week via scheduled air service and water transport. In consequence of self-sufficient full time staff of 3 has been maintained, this being the minimum that is considered compatible with the modern concept (and Federal government practice) of a 40 hour work week.

All of the six investor owned utility plants listed, except Ft. Chipewugan are accessible by year round road transport which should make for lower operating costs as compared with Fort Resolution, in that personnel can be moved to a plant for maintenance work and operator relief more readily and at lower cost.

Comparison of the charges for domestic power shows that the Fort Resolution volume or "run out" rate of 5c./kwhr is less than in the 6 investor owned localities, consequently

16. Les conditions de cette entente entreront en vigueur le 11e jour de 1961 pour une période d'un an. Moyennant le consentement des deux parties, l'entente pourra être renouvelée chaque année jusqu'au 10e jour de septembre 1971.

17. La présente entente sera à l'avantage des parties et les liera, ainsi que leurs successeurs et mandataires respectifs.

Les parties ont signé les présentes devant témoins.

LA COMMISSION D'ÉNERGIE DU NORD CANADIEN

Témoin

Président

PLAINS WESTERN GAS & ELECTRIC COMPANY LIMITED

COMPARAISON DES TARIFS APPLIQUÉS PAR LA COMMISSION D'ÉNERGIE DU NORD CANADIEN ET PAR LES PRODUCTEURS PRIVÉS POUR LA FOURNITURE DE COURANT AU YUKON ET DANS LES TERRITOIRES DU NORD-OUEST.

Les tableaux 1 et 2 (pièces jointes) comparent les frais de combustible et les tarifs d'un certain nombre de petites centrales diesel, qui produisent moins de 800,000 kWh par année, et qui appartiennent à des producteurs privés, dans le nord de l'Alberta (2) et au Yukon (4), et ceux de la Commission d'énergie du Nord canadien, à Fort-Resolution (T. N.-O.).

Les chiffres du tableau 1 ne sont pas contestés, mais la facturation mensuelle des différentes quantités d'énergie fournis à Fort-Resolution est erronée, en ce sens que la remise accordée pour règlement rapide n'a pas été correctement calculée. La facturation exacte figure au tableau 2 (pièce jointe).

La comparaison du tableau 1 n'est significative que dans la mesure où elle indique que le coût du combustible par kWh fourni est du même ordre dans six des localités mentionnées, c'est-à-dire de 2 à 2.4c. par kWh, sauf à Wabasca (Alb.), où il est de 1.34c. Le coût du combustible n'est cependant pas l'élément le plus important des frais d'exploitation d'une centrale diesel. Du fait que la Commission n'a pas accès à la ventilation détaillée d'exploitation des centrales privées, le seul relevé qu'elle peut présenter est celui de ses frais d'exploitation de Fort-Resolution, qui s'établit comme suit pour l'année 1965-1966:

Poste	Total	par kWh vendu
Salaire et logement des employés	$26,756	5.0c./kWh
Combustible	11,389	2.2
Frais d'établissement	8,617	1.6
Entretien du matériel	2,307	.4
Divers	3,306	.6
	$52,330	9.8c.
Administration, surveillance et frais généraux	4,150	.77
	$56,480	10.57c./kWh
Excédent	5,178	.96
	$61,658	11.53c./kWh

On voit ainsi que le poste le plus onéreux est celui qui concerne le personnel d'exploitation. L'excédent de $5,178 correspond à presque 1c. par kWh vendu, mais, compte tenu de la hausse des prix de revient, il n'a pas été à l'époque jugé suffisant pour justifier une réduction des tarifs. Les faits ont par la suite confirmé ce jugement.

En comparant les coûts et les tarifs de Fort-Resolution avec ceux des autres localités énumérées dans les deux tableaux, on ne doit pas oublier que cette localité est très isolée et que, tout récemment encore, elle n'était accessible que deux fois, parfois même une seule fois, par semaine, par un service régulier aérien ou fluvial. En conséquence, on a mis en place un personnel autonome de trois employés à plein temps, soit le minimum compatible avec le principe moderne, appliqué par le gouvernement fédéral, de la semaine de 40 heures.

Les six autres centrales privées énumérées, à l'exception de celle de Fort-Chipewagan, sont accessibles toute l'année par voie terrestre, ce qui devrait permettre des frais d'exploitation inférieurs à ceux de Fort-Resolution, du fait que le personnel peut être transporté à une centrale pour y effectuer des travaux d'entretien et assurer la rélève plus rapidement et à moins de frais.

La comparaison des prix de vente de l'électricité domestique montre que le tarif global de 5c. du kWh à Fort-Resolution est moindre que dans les six localités à centrales privées.

domestic consumption in excess of 300 kwhrs per month costs less at Ft. Resolution than it does at the investor owned localities. In regard to the commercial service the indicated charge of $128.40 for 800 kwhrs at Fort Resolution is incorrect; the correct figure is $120.50. However, the Fort Resolution commercial rates are higher than the investor owned rates in these small communities, due to the fact that it is considered appropriate under "the ability to pay" principle (common throughout the utility industry) that commercial rates be not at a higher level than the rates for domestic service.

In the case of small communities such as those listed in Table 1, the amount of power being produced has a major bearing on the rates per kwhr. Fixed costs that are to a large extent independent of the amount of power produced tend to be higher in the more isolated communities because of cost of transportation, lack of private housing and restricted commercial activity. Hence only modest increase in consumption of power has a minor affect on the total costs but produces a significant reduction in the unit cost. Thus, in the case of Fort Resolution if power sales were to increase by 100,000 kwhrs per annum costs would increase by only $2,200 but overall average cost would drop from 10.57c/kwhr to 9.2c/kwhr.

Since the Commission does not have access to the detailed cost of the investor owned utilities it cannot make any observation as to the extent that the small investor owned operations contribute to the general overhead and supervisory services that are provided by the parent company, which represents approximately ¾c/kwhr in the Commission's Fort Resolution operation.

COMPARISON OF POWER RATES IN WHITEHORSE—YELLOWKNIFE—HAY RIVER WITH NCPC RATES IN FORT SMITH AND FORT SIMPSON

Tables 3 and 4 (copies attached) correctly tabulate the power rates and cost of various amounts of power in three communities served by investor owned utilities, Whitehorse, Yellowknife and Hay River, and in two communities supplied by the NCPC, namely Fort Smith and Fort Simpson.

In the case of Whitehorse and Yellowknife, the NCPC supplies hydro power on a wholesale basis to the investor owned utilities that distribute power in these localities, viz., Yukon Electrical Company Limited in the case of Whitehorse, and Plains Western Gas and Electric Company in Yellowknife. Plains Western Gas and Electric Company has no generating facilities in the Yellowknife area. Approximately 10% of the load (KW) and 15% of the electric energy (KWRRS) consumed in the Whitehorse area is supplied by two small hydro plants owned by the Yukon Hydro Company Limited, a sister company of Yukon Electrical Company Limited. Both Yukon Electrical and Yukon Hydro are wholly owned subsidiaries of the large Alberta based electrical utility company, Canadian Utilities Limited (Head Office Edmonton) which in turn is approximately 72% controlled by International Utilities Limited. Hay River, N.W.T., is supplied by Northland Utilities Limited who also supply a number of locations in northern Alberta; this company is a wholly owned subsidiary of International Utilities Limited and is managed by Canadian Utilities Limited, Edmonton.

The figures shown in these two tables are correct, but it is quite invalid to conclude from comparison of the rates and charges at those 5 locations, that investor owned utilities provide service at lower cost than the NCPC. The mere comparison of rate schedules can be very misleading because of the very large differences in amount of power being distributed at the different localities and in the basic cost as between hydro and diesel supply.

Yellowknife and Whitehorse are comparatively large urban centres each having several hundred more consumers than there are in the two communities where the NCPC distributes power, viz., Fort Simpson and Fort Smith. Hay River and Fort Simpson are the only two of the five locations listed that are supplied by diesel generation, the other three (Yellowknife, Whitehorse and Fort Smith) being supplied by hydro power.

To illustrate the comparative size of these 5 utility operations the number of domestic consumers in each locality is of the following order of magnitude:

> Whitehorse—2150; Yellowknife—1000; Fort Smith—450; Hay River—375; Fort Simpson—125.

Power costs at Fort Smith as shown in Table 4 can only be compared with Yellowknife and Whitehorse since those three communities are supplied with hydro power, but Fort Smith is a very much smaller operation in respect to number of consumers and the amount of power (kwhrs per annum) distributed. However, despite the all important difference in the amount of power distributed

Ainsi, une consommation domestique de plus de 300 kWh par mois coûte moins cher à Fort-Resolution que dans ces localités. Pour ce qui est de l'électricité industrielle, le prix de vente de $128.40 pour 800 kWh indiqué pour Fort-Resolution est faux: le chiffre exact est $120.50. Les tarifs industriels de Fort-Resolution n'en restent pas moins supérieurs à ceux des centrales privées des autres petites localités, car il est considéré comme juste, en vertu du principe de l'«aptitude à payer» (reconnu par toutes les entreprises d'utilité publique), de fixer les tarifs industriels à un niveau plus élevé que les tarifs domestiques.

Dans le cas de petites localités comme celles qui sont énumérées au tableau 1, la quantité d'énergie produite a une grande portée sur le tarif par kWh. Les charges fixes qui, dans une grande mesure, ne dépendent aucunement de la quantité d'énergie produite, tendent à être plus élevées dans les localités isolées en raison des frais de transport, du manque de logements et du caractère réduit de l'activité commerciale. Ainsi, une augmentation modeste de la consommation d'énergie influe peu à elle seule sur le total des charges, mais réduit sensiblement le coût unitaire. Si donc, dans le cas de Fort-Resolution, les ventes d'énergie augmentaient de 100,000 kWh par an, les charges ne seraient majorées que de $2,200, mais le coût moyen global tomberait de 10.57c. le kWh à 9.2c. le kWh.

Étant donné que la Commission n'a pas accès au détail des charges des centrales privées, elle ne peut rien dire sur la part prise par leurs frais d'exploitation dans les frais généraux et les frais de surveillance indiqués par la société mère, part qui représente environ ¾c. par kWh dans le cas de l'installation de la Commission à Fort-Resolution.

COMPARAISON DES TARIFS APPLIQUÉS À WHITEHORSE, À YELLOWKNIFE ET À HAY RIVER ET DE CEUX DE LA CENC À FORT-SMITH ET À FORT-SIMPSON

Les tableaux 3 et 4 (pièces jointes) donnent le chiffre exact des tarifs et des prix de revient relatifs aux différentes quantités d'énergie fournies dans trois localités desservies par l'entreprise privée (Whitehorse, Yellowknife et Hay River) et dans deux localités desservies par la CENC (Fort-Smith et Fort-Simpson).

Dans le cas de Whitehorse et de Yellowknife, la CENC fournit l'énergie hydro-électrique au prix du gros aux entreprises privées qui se chargent de sa distribution dans ces localités: la *Yukon Electrical Company Limited*, à Whitehorse, et la *Plains Western Gas and Electric Company*, à Yellowknife. Cette dernière société n'a pas de centrale dans la région de Yellowknife. Environ 10 p. 100 de la charge, en kW, et 15 p. 100 de l'énergie électrique, en kWh, consommée dans cette région proviennent de deux petites centrales hydro-électriques appartenant à la *Yukon Hydro Company Limited*, société soeur de la *Yukon Electrical Company Limited*, toutes deux filiales à part entière de la grande entreprise électrique d'utilité publique de l'Alberta, la *Canadian Utilities Limited*, dont le siège social est à Edmonton et qui appartient dans une proportion de 72 p. 100 à l'*International Utilities Limited*. Hay River (T. N.-O.) est desservie par la *Northland Utilities Limited*, qui alimente aussi un certain nombre de localités du nord de l'Alberta. Cette société est une filiale à part entière de l'*International Utilities Limited* et est gérée par la *Canadian Utilities Limited*.

Les chiffres des deux tableaux sont justes, mais il serait tout à fait faux de conclure de la comparaison des tarifs et des prix de revient de ces 5 localités que les centrales privées fournissent un service moins coûteux que celui de la CENC. La seule comparaison du barème des tarifs peut être très trompeuse en raison de la différence considérable qui existe entre les quantités d'énergie distribuées dans les diverses localités et entre le prix de revient de base de l'énergie hydro-électrique et celui de l'énergie produite par des groupes diesel.

Yellowknife et Whitehorse sont des centres urbains relativement grands et dans chacune desquelles le nombre des consommateurs est supérieur de plusieurs centaines à celui des deux localités desservies par la CENC, c'est-à-dire Fort-Simpson et Fort-Smith. Hay River et Fort-Simpson sont, sur les cinq localités énumérées, les deux seules à être alimentées par des groupes diesel, les trois autres, c'est-à-dire Yellowknife, Whitehorse et Fort-Smith, l'étant par des centrales hydro-électriques.

Pour illustrer l'importance relative de ces 5 installations, nous donnons ci-dessous le nombre approximatif de consommateurs domestiques et chacune de ces localités:

> Whitehorse—2150; Yellowknife—1000; Fort-Smith—450; Hay River—375; Fort-Simpson—125;

Les prix de revient de l'énergie à Fort-Smith qui figurent au tableau 4 ne peuvent se comparer qu'avec ceux de Yellowknife et de Whitehorse, étant donné que ces trois localités sont desservies par des centrales hydro-électriques. En revanche, Fort-Smith a une importance bien moindre quant au nombre de consommateurs et à la quantité d'énergie (kWh par an) distribuée. Cependant, malgré la différence si grande existant entre les quantités d'énergie distribuée, le prix de

the charge for residential power in Fort Smith is only slightly higher than in the two much larger centers (Whitehorse and Yellowknife), where hydro power is distributed by investor owned utilities, (there is some variation at various levels of consumption due to peculiarities of the individual rate structures—also Yellowknife enjoys a very low domestic rate achieved at the expense of the commercial consumers). However, *in the general commecial service category the cost is in every instance loss at Fort Smith than in both Yellowknife and Whitehorse.* The basic or wholesale cost of hydro power supplied to all three distribution systems is similar for each locality, i.e. 4c/kwhr or less. Furthermore, the Fort Smith retail rates have been unavoidably influenced by the selection of Yellowknife as the Capital of the Northwest Territories with consequent decline in the growth factor as it pertains to consumption of power in the Fort Smith area. When these factors are taken into consideration it is quite apparent that the NCPC rates in Fort Smith compares very favourably indeed with those of the investor owned utilities distributing hydro power (producer by the NCPC) in the much larger communities of Whitehorse and Yellowknife.

In comparing the diesel supplied communities of Fort Simpson and Hay River both of which are much smaller than Yellowknife or Whitehorse, it must be recognized that Hay River is a much larger and more commercial type community than Fort Simpson. Hay River is located on the Mackenzie Highway whereas Fort Simpson is situated on the Mackenzie River over 200 miles northwest of Hay River. Whereas Hay River enjoys year round highway access as well as frequent scheduled air service, Fort Simpson is accessible only by twice weekly scheduled air service, water transport (from Hay River) and in recent years, a winter trucking road. All supplies for Fort Simpson (except fuel) must be shipped through Hay River or by air from Edmonton, personnel transport to and from Fort Simpson is by air only a considerably greater cost than applies for personnel movements to and from Hay River. Furthermore since the advent of the Great Slave Lake Railroad, Hay River has taken on increased importance as a transportation centre and the area has been experiencing an expanding commercial economy. Fort Simpson, on the other hand, is a relatively static educational and minor administrative community with minimum commercial activity. Consequently, there has been an optimistic outlook in respect to increasing power consumption at Hay River, compared to a virtually static situation at Fort Simpson.

When these factors are taken into consideration, together with the fact that the number of power consumers in Hay River is over three times the number in Fort Simpson, the NCPC rates at Fort Simpson, though higher, compare very favourably with those at Hay River. The domestic rates are only slightly higher for the larger quantities (above 100 kwhrs/month) and the charge for small amounts of commercial power are lower at Fort Simpson than at Hay River. For larger blocks of commercial power the Hay River rates are lower than Fort Simpson, due to the Fort Simpson rates being designed to favour the domestic consumers in line with standard utility practice. There are now encouraging signs of increased commercial activity in the Fort Simpson area which may well blossom forth upon completion of the all weather highway scheduled for 1970; should this come about there is little doubt that it will lead to increased consumption of power and a consequent reduction in power rates to the extent of equating with or improving the indicated rates in the larger and more favourably located town of Hay River.

DAWSON POWER RATES

Table 5 (copy attached) tabulates the NCPC power rates at Dawson and the Yukon Electrical Company rates at Watson Lake, Yukon, and the rates that Yukon Electrical proposed in offering to supply power in Dawson. The tabulation is correct except that the NCPC commercial rates include a rate of 6¢/kwhr for power supplied to the Dawson water system for operation of the water pumps. This rate is less than the rate that would have applied under the Yukon Electrical Company's proposed rates for this service because the latter included a demand charge plus an average rate of 11¢/kwhr for the first 100 kwhrs per month per kw of demand; hence the proposed Yukon Electrical Company rates would have resulted in an increased cost for power to operate the water system of approximately $400 per month, or nearly $5,000 per annum, or approximately 14% more than the NCPC charge for power supplied to the water system.

vente de l'énergie domestique à Fort-Smith n'est que légèrement plus élevé que dans les deux plus grands centres (Whitehorse et Yellowknife), où l'énergie électrique est distribuée par l'entreprise privée (il existe certains écarts, à différents niveaux de consommation, dus aux particularités de chacun des régimes tarifaires, au fait aussi que Yellowknife jouit d'un tarif domestique très bas obtenu aux dépens des consommateurs industriels.) *Quoi qu'il en soit, dans l'ensemble des services industriels, le prix de revient est dans chaque cas moins élevé à Fort-Smith qu'à Yellowknife et à Whitehorse.* Le prix de revient de base ou celui de vente en gros de l'énergie hydro-électrique fournie à ces trois réseaux de distribution est semblable pour chacune des localités, c'est-à-dire de 1¼c. par kWh ou plus. En outre, les tarifs de détail de Fort-Smith ont inévitablement subi les répercussions du choix de Yellowknife comme capitale des Territoires du Nord-Ouest. Il s'en est suivi une baisse du facteur de croissance dans la consommation d'énergie de la région de Fort-Smith. Lorsque l'on tient compte de ces facteurs, il est tout à fait manifeste que les tarifs de la CENC, à Fort-Smith, se comparent tout à fait favorablement avec ceux des entreprises privées qui distribuent l'énergie électrique produite par la CENC, dans les grandes localités de Whitehorse et de Yellowknife.

En comparant les localités de Fort-Simpson et de Hay River, desservies par des centrales diesel et toutes deux beaucoup plus petites que celles de Yellowknife et de Whitehorse, on doit reconnaître que Hay River est une localité beaucoup plus grande et plus active que Fort-Simpson. Hay River se trouve sur la grande route du Mackenzie, tandis que Fort-Simpson est situé sur le fleuve Mackenzie, à plus de 200 milles au nord-ouest de Hay River. Alors que cette dernière est accessible par route toute l'année et est desservie régulièrement par des liaisons aériennes fréquentes, Fort-Simpson n'est accessible que par voie aérienne (deux liaisons hebdomadaires régulières), par voie fluviable (à partir de Hay River) et, depuis les dernières années, par une route ouverte aux camions en hiver. Tous les approvisionnements à destination de Fort Simpson (à l'exception du combustible) doivent transiter par Hay River ou être expédiés par voie aérienne d'Edmonton. Le transport du personnel, à destination ou en provenance de Fort-Simpson, ne s'effectue que par voie aérienne, à bien plus grands frais que celui du personnel à destination ou en provenance de Hay River. De plus, depuis l'apparition du chemin de fer du Grand lac des Esclaves, Hay River a pris une importance plus grande comme centre de transport et sa région a connu une économie en expansion. Par contre, Fort Simpson, centre scolaire et centre administratif secondaire, a relativement peu évolué et son activité commerciale est minime. En conséquence, les perspectives d'augmentation de la consommation d'énergie ont été plus optimistes pour Hay River que pour Fort-Simpson, où la situation est restée pratiquement inchangée.

Quand on tient compte de ces facteurs, du fait aussi que le nombre de consommateurs d'énergie de Hay River est plus de trois fois supérieur à celui de Fort-Simpson, les tarifs de la CENC à Fort-Simpson, quoique plus élevés, soutiennent très favorablement la comparaison avec ceux de Hay River. Les tarifs domestiques ne sont que légèrement plus élevés pour les quantités supérieures (au-dessus de 100 kWh par mois) et les prix de vente pour les petites quantités d'énergie industrielle sont moins élevés à Fort-Simpson qu'à Hay River. Pour les quantités supérieures d'énergie industrielle, les tarifs de Hay River sont inférieurs à ceux de Fort-Simpson, du fait que les tarifs de cette dernière localité sont fixés de façon à favoriser les consommateurs domestiques, conformément à la règle générale appliquée aux services d'utilité publique. L'expansion de l'activité commerciale de la région de Fort-Simpson, dont les symptômes actuels sont encourageants, a de bonnes chances de s'épanouir dès l'achèvement, prévu pour 1970, de la nouvelle route toute saison. Si ces espoirs se réalisent, il est peu douteux que la consommation d'énergie augmentera et que les tarifs diminueront en conséquence, pour atteindre un niveau égal ou même inférieur à celui des tarifs indiqués pour Hay River, ville pourtant plus grande et mieux située.

TARIFS D'ÉLECTRICITÉ À DAWSON

Le Tableau 5 (dont un exemplaire est joint à la présente) donne le tarif de la C.E.N.C. pour Dawson, celui de la *Yukon Electrical Company* pour Watson Lake (Yukon), de même que le tarif auquel cette dernière société propose de fournir l'électricité à Dawson. Le tableau est exact, à cette exception près que le tarif commercial de la C.E.N.C. comprend un taux de 6ø/kwh dans le cas de l'électricité fournie pour le fonctionnement des pompes à eau du service d'eau de Dawson. Ce tarif est inférieur à celui que propose la *Yukon Electrical Company*, car ce dernier comprendrait un montant calculé selon la demande, ainsi qu'un taux moyen de 11¢/kWh pour les 100 premiers kWh de chaque mois, établi selon le nombre de kWs de demande; ainsi, l'application d'un tel tarif accroîtrait le coût de l'électricité nécessaire au fonctionnement du service d'eau d'une

The domestic and commercial rates proposed in the Yukon Electrical Company's offer to supply power in Dawson, are lower than the Commission's current rates for the same categories of service because of the special nature of the NCPC operations in Dawson.

The Commission's power plant in Dawson is closely integrated with the domestic water system, which the Commission operates on behalf of the Yukon Territorial Government. The power plant established by the Commission houses an oil fired boiler to heat the city water supply in the winter months and, in addition, waste heat from the diesel plant is recovered and made available to the water system thereby reducing the amount of fuel oil required for water heating purposes. Operation of the water system pumping and heating equipment is controlled and monitored by the power plant staff. The security of the water system in cold weather is dependent upon the continuous circulation of water and supply of adequate heat, consequently it is deemed mandatory to maintain 24 hour operator attendance in the power plant to ensure, as near as it is humanly possible to do so, continuous power supply to the pumps and surveillance of the pumping and water heating system. However, because the operating staff is also required in connection with operation of the power plant the full cost of the plant operating staff is charged to the power plant.

The rates that were proposed by the Yukon Electrical Company would produce about $12,000 per year less revenue than the Commission's current rates, which could be made up by charging the water system for a share of the costs of the plant operating staff, and for heat supplied from the diesel plant to the water system, but such action would only serve to increase the operating costs of the water system and would be reflected in increased charges to the water system customers, who are essentially the same people as the power consumers—or to the Yukon Government who meets the deficit in respect to the water system (revenue at normally accepted rates for water service as applied in Dawson, is not sufficient to meet all costs of the water system).

The Commission has no information as to how much general overhead expense would have been carried by the Dawson power operation under private ownership at the rates that were proposed. It is also to be noted that while the Yukon Electrical Company offered to operate the water system the proposal did not advance any basis on which this would be done nor a willingness to take over and renovate the then existing water system, whereas the Commission shouldered the responsibility of taking over both the power supply and water system and arranged for the necessary renovation of the water system, integrating the equipment with the power plant, as outlined above.

The Yukon Electrical Company offer *did not* contain an undertaking to maintain rates at the proposed level for a period of 20 years. It is standard practice for franchise agreements to contain provision for review and adjustment of rates should operating experience at the maximum rates specified in the agreement prove unfavourable to the operator. It is reasonable to suppose that had Yukon Electrical Company offer re Dawson been accepted the consequent franchise agreement would have contained the usual rate review clause.

somme d'environ $400 par mois, soit de près de $5,000 par année, c'est-à-dire environ 14 p. 100 de plus que le montant qu'exige actuellement la C.E.N.C. pour un tel service.

C'est à cause de la nature particulière de l'exploitation de la C.E.N.C., à Dawson, que ses tarifs résidentiels et commerciaux sont actuellement plus élevés, pour la même catégorie de service d'électricité, que ceux que propose la *Yukon Electrical Company*.

La centrale électrique de la Commission, à Dawson, est étroitement intégrée au service d'eau pour fins domestiques, que cette même Commission exploite au nom du gouvernement territorial du Yukon. Cette centrale, établie par la Commission, loge une chaudière à mazout, qui chauffe l'approvisionnement d'eau de la ville au cours des mois d'hiver; de plus, on récupère la chaleur perdue par l'usine diesel et on s'en sert aussi pour le chauffage du service d'eau, ce qui diminue la quantité de mazout nécessaire à cette fin. Le fonctionnement du pompage de l'eau et du matériel de chauffage est contrôlé et dirigé par le personnel de la centrale électrique. Comme le maintien du service d'eau par temps froid est fonction de la circulation continue de l'eau et de la production d'une quantité suffisante de chaleur, on estime qu'il est nécessaire de maintenir à la centrale électrique un service continu de préposés chargés d'assurer, dans la mesure du possible, la continuité de l'alimentation des pompes en électricité, ainsi que la surveillance du pompage et du chauffage de l'eau. Toutefois, comme ce personnel se charge aussi du fonctionnement de la centrale électrique, les frais de son maintien sont imputés sur cette installation.

Les taux proposés pr la *Yukon Electrical Company* occasionneraient une perte annuelle de revenu d'environ $12,000 par rapport à ceux que demande actuellement la Commission, montant qui pourrait être compensé en imputant sur le service d'eau une part des frais de maintien du personnel d'exploitation de la centrale et des frais engagés par l'usine diesel pour assurer le chauffage au service d'eau, mais de telles mesures ne serviraient qu'à augmenter les frais d'exploitation du service d'eau et entraîneraient une majoration de l'imposition payée par les abonnés de ce service, qui sont aussi, règle générale, les usagers de l'électricité, ainsi qu'un accroissement de la contribution du gouvernement du Yukon, qui se charge de combler le déficit du service d'eau (les revenus découlant de l'application de taux généralement acceptables dans le cas des services d'eau, comme c'est le cas à Dawson, ne suffisent pas à payer de tels services).

La Commission ne sait pas à combien se seraient élevées les dépenses générales si l'alimentation de Dawson en électricité avait été effectuée par l'entreprise privée en question, aux taux qu'elle a proposés. On remarquera aussi que, même si la *Yukon Electrical Company* a offert d'exploiter le service d'eau, la proposition qu'elle a formulée ne contenait aucun détail sur la façon dont elle entendait procéder ni ne témoignait du désir de se charger du service d'eau alors existant et d'en entreprendre la rénovation, alors que la Commission s'engageait à se charger à la fois de l'alimentation en énergie, ainsi que de ce service d'eau et de sa rénovation, intégrant le tout dans la centrale électrique, comme il est dit plus haut.

De plus, par son offre, la *Yukon Electrical Company* ne s'engageait pas à maintenir ses taux au même niveau pendant une période de vingt ans. Habituellement, les accords relatifs à des concessions contiennent des dispositions de révision et de rajustement des tarifs pour les cas où l'exploitation aux taux maximums indiqués dans ces accords se révèle non rentable pour l'exploitant. On peut donc supposer que si l'offre de la *Yukon Electrical Company*, au sujet de Dawson, avait été acceptée, l'accord de concession qui en aurait résulté aurait contenu cette disposition habituelle de révision des taux.

I—COMPARISON OF REVENUE AND FUEL COSTS FOR THE YEAR 1965-1966

Location	Capacity	KWH Gen. × 1000	KWH Sold × 1000	Revenue $	Fuel Cost c/KWH Gen.	Revenue c/KWH Sold
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	50,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

II—RATE COMPARISON
(Small Diesel Plants)

	Monthly Bill				
	25 KWH	50 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$
Residential					
Fort Resolution (NCPC)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (Canadian Utilities, Ltd.)	3.50	6.40	10.40	14.40	24.40
Haines Junction—Teslin—Destruction Bay—Beaver Creek (Yukon Electrical)	4.00	7.40	12.40	17.40	30.40
Wabasca (Northland Utilities Ltd.)	3.50	6.40	10.40	14.40	24.40

	Monthly Bill		
	200 KWH	400 KWH	800 KWH
	$	$	$
Commercial (4 KWH Load)			
Fort Resolution (NCPC)	32.40	64.40	128.40
Fort Chipewyan (Canadian Utilities, Ltd.)	24.00	40.00	72.00
Haines Junction—Teslin—Destruction Bay—Beaver Creek (Yukon Electrical)	28.50	48.50	80.50
Wabasca (Northland Utilities Limited)	24.00	40.00	72.00

Correct Figures re Fort Resolution:					
Domestic	4.25	8.00	13.00	15.50	23.00
Commercial	30.50		60.50		120.50

I—ÉTAT COMPARATIF DU REVENU RÉALISÉ ET DES FRAIS DE COMBUSTIBLE POUR L'ANNÉE 1965–1966

Localité	Capacité	Production de kWh × 100	N. de kWh vendus × 100	Revenus $	Coût du combustible en ¢/kWh produit	Revenus en ¢/kWh vendu
Fort Resolution	325	592	537	61,658	2.0	11.5
Fort Chipewyan	375	782	630	50,159	2.1	8.0
Haines Junction	400	650	643	56,934	2.1	8.9
Teslin	450	715	585	44,816	2.1	7.7
Destruction Bay	500	756	513	43,877	2.2	8.6
Beaver Creek	310	576	541	48,294	2.4	8.9
Wabasca	450	573	456	40,618	1.3	8.9

II—COMPARAISON DES TARIFS
(Petites usines diesel)

	Coût mensuel				
	25 kWh	50 kWh	100 kWh	150 kWh	300 kWh
	$	$	$	$	$
Tarif résidentiel					
Fort Resolution (C.E.N.C.)	4.40	8.40	14.25	17.25	24.75
Fort Chipewyan (*Canadian Utilities, Ltd*)	3.50	6.40	10.40	14.40	24.40
Haines Junction—Teslin—Destruction Bay—Beaver Creek (*Yukon Electrical*)	4.00	7.40	12.40	17.40	20.40
Wabasca (*Northland Utilities Ltd*)	3.50	6.40	10.40	14.40	24.40

	Coût mensuel		
	200 kWh	400 kWh	800 kWh
	$	$	$
Tarif commercial (Consommation de 4 kWh)			
Fort Resolution (C.E.N.C.)	32.40	64.40	128.40
Fort Chipewyan (*Canadian Utilities, Ltd*)	24.00	40.00	72.00
Haines Junction—Teslin—Destruction Bay—Beaver Creek (*Yukon Electrical*)	28.50	48.50	80.50
Wabasca (*Northland Utilities Limited*)	24.00	40.00	72.00

Chiffres exacts au sujet de Fort Resolution:					
Résidentiel	$4.25	8.00	13.00	15.50	23.00
Commercial	$30.50		60.50		120.50

TABLE 3—MONTHLY RATE SCHEDULES

Fort Simpson—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 8.88¢
Over 75 KWH at 5.55¢
Discount 10% for p.p.

General Service:
1 to 20 KWH at $3.33 (min)
Over 20 KWH at 8.88¢
Discount 10% for p.p.

Fort Smith—Residential:
1 to 10 KWH at $2.22 (min)
11 to 75 KWH at 6.0¢
76 to 200 KWH at 3.33¢
201 to 500 KWH at 2.22¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

General Service:
1 to KWH at $3.33 (min)
21 to 100 KWH at 6.0¢
101 to 500 KWH at 4.44¢
Over 500 KWH at 3.33¢
Discount 10% for p.p.

Yellowknife—Residential:
First 25 KWH at 1.25
Next 25 KWH at 4.2¢
Next 50 KWH at 2.4¢
All over 100 at 1.7¢
Min. $2.00

Commercial:
D.C. each .5 KW at $1.75
25 KWH/.5 KW included in D.C.
Next 50 KWH/.5 KW at 3.0¢
Next 7500 KWH at 2.7¢
Excess 2.3¢

Water heating (separate meter)
All KWH used at 1.3¢/KWH
Min. charge $2.00

Power:
D.C. $1.00 per KW
Up to 20,000 KWH at 3.75¢
Excess KWH at 2.75¢

Hay River—Residential, Rate 115:
First 10 KWH $2.50 (min)
Next 20 KWH at 8.0¢
Next 50 KWH at 6.0¢
Excess KWH at 4.0¢

General Service Rate 206:
D.C. first KW at $2.00 add'l at 50¢
First 50 KWH/KW at 10.0¢
Next 50 KWH/KW at 7.0¢
Excess KWH at 5.0¢
Min $3.50

Gen. Serv. Over 20 KW Rate 331:
D.C. each KW at $2.00
First 100 KWH/KW at 5.25¢
Next 200 KWH/KW at 4.25¢
Excess KWH used at 3.25¢

General Service Rate 210:
D.C. $1.00/KW
First 30 KWH/KW at 8.0¢
Next 30 KWH/KW at 6.0¢
Next 40 KWH/KW at 5.0¢
Excess KWH at 4.0¢

December 28, 1967.

TABLE 4—COMPARISON OF HAY RIVER RATES WITH OTHER NORTH COMMUNITIES

	10 KWH	25 KWH	55 KWH	100 KWH	150 KWH	300 KWH
	$	$	$	$	$	$
Residential						
Hay River	2.50	3.70	5.60	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

General Service		H. River	Ft. Simp.	Ft. Smith	Y'Knife	W.H.
		$	$	$	$	$
Load	KWH					
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

TABLEAU 3—LISTE DES TARIFS MENSUELS

Fort Simpson—Résidentiel:
de 1 à 10 kWh: $2.22 (min.)
de 11 à 75 kWh: 8.88¢
plus de 75 kWh: 5.55¢
Remise de 10 p. 100 pour paiement anticipé.

Service général:
de 1 à 20 kWh: $3.33 (min.)
Plus de 20 kWh: 8.88¢
Remise de 10 p. 100 pour paiement anticipé.

Fort Smith—Résidentiel
de 1 à 10 kWh: $2.22 (min.)
de 11 à 75 kWh: 6.0¢
de 76 à 200 kWh: 3.33¢
de 201 à 500 kWh: 2.22¢
plus de 500 kWh: 3.33¢
Remise de 10 p. 100 pour paiement anticipé.

Service général:
de 1 à 20 kWh: $3.33 (min.)
de 21 à 100 kWh: 6.0¢
de 101 à 500 kWh: 4.44¢
Plus de 500 kWh: 3.33¢
Remise de 10 p. 100 pour paiement anticipé.

Yellowknife—Résidentiel:
Les premiers 25 kWh à 1.25
les 25 suivants à 4.2¢
les 50 suivants à 2.4¢
plus de 100 kWh: 1.7¢
Min.: $2.00

Chauffage de l'eau (compteur distinct)
Pour chaque kWh utilisé: 1.3¢/kWh
Frais minimums: $2

Commercial:
Chaque .5 kW en C.C. à $1.75
25 kWh/.5kW compris en C.C.
Les 50 suivants à 3.0¢
Les 7,500 kWh suivants à 2.7¢
Le supplément à 2.3¢

Énergie électrique:
$1.00 par kW en C.C.
Jusqu'à 20,000 kWh: 3.75¢
Le supplément de kWh à 2.75¢

Hay River—Résidentiel. Tarif 115:
Les premiers 10 kWh: $2.50 (min.)
les 20 suivants à 8¢
les 50 suivants à 6¢
le supplément à 4¢

Service général. Tarif 206:
Les premiers kW en C.C. à $2.00 et les suivants à 50¢
Les premiers 50 kWh/kW à 10.0¢
Les 50 suivants à 7.0¢
Le supplément de kWh à 5.0¢
Min.: $3.50

Service général. Plus de 20 kW. Tarif 331:
Chaque kW de C.C.: $2.00
Les premiers kWh/kW: 5.25¢
Les 200 suivants à 4.25¢
Le supplément par kWh utilisé: 3.25¢

Service général. Tarif 210:
$1.00/kW en C.C.
Les premiers 30 kWh/kW à 8.0¢
Les 30 suivants à 6.0¢
Les 40 suivants à 5.0¢
Le supplément de kWh à 4.0¢

TABLEAU 4—COMPARAISON DES TARIFS DE HAY RIVER AVEC CEUX D'AUTRES AGGLOMÉRATIONS SEPTENTRIONALES 23 DÉCEMBRE 1967

	10 kWh	25 kWh	55 kWh	100 kWh	150 kWh	300 kWh
	$	$	$	$	$	$
Résidentiel						
Hay River	2.50	3.70	5.00	7.90	9.90	15.90
Fort Simpson	2.00	3.20	5.60	8.45	10.95	18.45
Fort Smith	2.00	2.81	4.43	6.26	7.76	11.26
Yellowknife	2.00	2.00	3.17	4.25	5.10	7.65
Whitehorse	2.50	2.50	2.53	4.10	5.85	10.10

Service général		Hay River	Fort Simpson	Fort Smith	Yellowknife	Whitehorse
		$	$	$	$	$
Consommation en kWh						
	500	46.50	41.40	23.32	25.00	24.00
5	1000	71.50	81.40	38.32	39.25	44.00
	1500	96.50	121.40	53.32	52.75	56.50
	1000	72.00	81.40	38.32	50.00	48.00
10	2000	112.00	161.40	68.32	78.50	88.00
	3000	152.00	241.40	98.32	105.50	113.00
	2500	181.25	201.40	83.32	118.75	120.00
25	5000	287.50	401.40	158.32	212.50	220.00
	7500	393.75	601.40	233.32	306.25	282.50

TABLE 5—DAWSON CITY

Y.E. Co. Proposed Rates	N.C.P.C. Existing Rates	Watson Lake Rates
Residential	Residential	Residential
First 40 KWH at 12.0¢/KWH Next 100 KWH at 8.0¢/KWH Next 400 KWH at 6.0¢/KWH Excess KWH at 4.0¢/KWH Minimum $2.50	First 10 KWH at 20¢/KWH Next 99 KWH at 12¢/KWH Next 100 KWH at 10¢/KWH Excess KWH at 6¢/KWH Minimum $2.50	First 40 KWH at 8.0¢/KWH Next 100 KWH at 6.0¢/KWH Next 400 KWH at 4.0¢/KWH Excess KWH at 3.5¢/KWH Minimum $2.50
Commercial and General Service	Commercial and General	Commercial and General
Demand Charge		Demand Charge
First 1 KW—$1.50 Add'l. KW—$. 50	Nil	First 1 KW—$1.50 Add'l. KW—$. 50
Energy Charge	Energy Charge	Energy Charge
First 50 KWH/KW used–12.0¢/KWH Next 50 KWH/used–10 ¢/KWH/KW Excess KWH/KW used–6.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50	First 20 KWH at 20.0¢/KWH Next 80 KWH at 15.0¢/KWH Next 200 KWH at 12.0¢/KWH Next 700 KWH at 10.0¢/KWH Excess KWH at 8.0¢/KWH *Minimum*—$4.00	First 50 KWH/KW at 12.0¢/KWH Next 200 KWH/KW at 10.0¢/KWH Excess KWH at 5.0¢/KWH *Minimum*—The Demand Charge but not less than $2.50

Power supplied to Dawson Water System
All energy—6¢/kwhr.

TABLEAU 5—DAWSON

Tarifs proposés par la *Y. E. Co.*	Tarifs actuels de la C.E.N.C.	Tarifs de Watson Lake
Résidentiel	Résidentiel	Résidentiel
Les premiers 40 kWh à 12.0¢ chacun Les 160 suivants à 8.0¢. Les 400 suivants à 6.0¢. Le supplément à 4.0¢/kWh Minimum: $2.50	Les premiers 10 kWh à 20¢ chacun Les 90 suivants à 12¢ Les 100 suivants à 10¢ Le supplément à 6¢/kWh Minimum: $2.00	Les premiers 40 kWh à 8.0¢ chacun Les 160 suivants à 6.0¢ Les 400 suivants à 4.0¢ Le supplément à 3.5¢/kWh Minimum: $2.50
Tarif commercial et service général	Commercial et service général	Commercial et service général
Coût suivant la demande		Coût suivant la demande
Premier kW: $1.50 kW supplémentaire: $1.50	Néant	Premier kW: $1.50 kW supplémentaire: 50¢
Coût de l'énergie	Coût de l'énergie	Coût de l'énergie
Les premiers 50 kWh/kW utilisés: 12.0¢/kWh Les 50 suivants à 10¢/—kWh Le supplément à 6.0¢/kWh Minimum: le coût suivant la demande (frais minimums de $2.50)	Les premiers 20 kWh à 20¢ chacun Les 80 suivants à 15.0¢ chacun Les 200 suivants à 12.0¢ chacun Les 700 suivants à 10.0¢ chacun Minimum de $4.00	Les premiers kWh/kW à 12.0/¢kWh Les 200 suivants à 10.0¢/kWh Le supplément de kWh à 5.0¢/kWh Minimum: le coût suivant la demande (frais minimums de $2.50)

Énergie fournie pour le service d'eau de Dawson
Tout genre d'énergie: 6¢/kWh

Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 12

MONDAY, MARCH 10, 1969

TUESDAY, MARCH 11, 1969

LE LUNDI 10 MARS 1969

LE MARDI 11 MARS 1969

LIBRARY
APR 25 1969
UNIVERSITY OF TORONTO

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires—Affaires indiennes et Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29968—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs. — et Messieurs

Borrie
Buchanan
Cullen
Deakon
Dinsdale
Duquet
Givens
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
Nielsen
O'Connell
Orlikow
Simpson
Southam
Thomson (*Battleford-Kindersley*)
Yewchuk (20)

Le secrétaire du comité,
Michael B. Kirby,
Clerk of the Committee.

ORDRE DE RENVOI

THURSDAY, February 20, 1969.

Ordered,—That Votes 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 and L90 relating to the Department of Indian Affairs and Northern Development; and

Vote 45 relating to the National Battlefields Commission be referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ORDRE DE RENVOI

Le JEUDI 20 février 1969

Il est ordonné,—Que les crédits nos 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 et L90 concernant le ministère des Affaires indiennes et du Nord canadien; et

Le crédit n° 45 concernant la Commission des champs de bataille nationaux soient renvoyés au comité permanent des affaires indiennes et du Nord canadien.

ATTESTÉ:

Le Greffier de la Chambre des communes,
ALISTAIR FRASER
The Clerk of the House of Commons.

29968—1½

MINUTES OF PROCEEDINGS

MONDAY, March 10, 1969.
(12)

The Standing Committee on Indian Affairs and Northern Development met this day at 3.50 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Corbin and Burton.

Witnesses: From the Department of Indian Affairs and Northern Development; Mr. J. H. Gordon, Senior Assistant Deputy Minister, (Conservation); Mr. J. I. Nicol, Director, National and Historic Parks Branch; Mr. P. H. Bennett, Assistant Director (Historic Parks), National and Historic Parks Branch; Mr. P. B. Lesaux, Chief, Operations Division, National Historic Sites Services, National and Historic Parks Branch; Mr. L. H. Robinson, Regional Director, Atlantic Region, National and Historic Parks Branch.

At 4.30 p.m.:

The Committee proceeded to examine the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70. The Chairman called Vote 35 relating to National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act.

Mr. Gordon made a statement and he and his officials were questioned. It was *agreed* that Vote 35 stand.

The Chairman called Vote 45 relating to the National Battlefields Commission and

PROCÈS-VERBAUX

(*Traduction*)

Le LUNDI 10 mars 1969.
(12)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit cet après-midi à 3 h. 50, sous la présidence de M. Watson, président.

Présents: MM. Borrie, Cullen, Dinsdale, Givens, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, Southam, Saint-Pierre, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Corbin et Burton.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. H. Gordon, sous-ministre adjoint senior (Conservation); M. J. I. Nicol, directeur, Direction des parcs nationaux et des lieux historiques; M. P. H. Bennett, directeur adjoint (Lieux historiques), Direction des parcs nationaux et des lieux historiques; M. P. B. Lesaux, chef de la Division de l'exploitation, Service des lieux historiques nationaux, Direction des parcs nationaux et des lieux historiques; M. L. H. Robinson, directeur régional, région de l'Atlantique, Direction des parcs nationaux et des lieux historiques.

A 4 h. 30 de l'après midi:

Le Comité passe à l'examen des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970. Le président met en délibération le crédit 35—Parcs nationaux, lieux et monuments historiques, conservation et mise en valeur des ressources fauniques, y compris l'exécution de la loi sur la Convention concernant les oiseaux migrateurs.

M. Gordon fait une déclaration et répond, ainsi que ses collègues, à des questions. Il est *convenu* de réserver le crédit 35.

Le président met ensuite en délibération le crédit 45—Commission des champs de

after questions, it was *agreed* that Vote 45 be allowed to stand.

On motion of Mr. Givens, at 5.50 p.m. it was *Agreed*—That the Committee adjourn until Tuesday, March 11, 1969.

bataille nationaux, et, après des questions, il est *convenu* de réserver le crédit 45.

Sur la proposition de M. Givens, à 5 h. 50 de l'après-midi,

Il est *convenu*—Que le Comité s'ajourne jusqu'au mardi 11 mars 1969.

TUESDAY, March 11, 1969.
(13)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Givens, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, St-Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk (13).

Witnesses: Mr. Arthur Solomon; *From the Department of Indian Affairs and Northern Development;* Mr. J. W. Churchman, Director, Indian Eskimo Economic Development Branch, Economic Development Program; Mr. V. Vokes, Senior Program Development Officer, Arts and Crafts, Small Business Services Division, Economic Development Program.

The Chairman called Item I—Departmental Administration, of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow the Committee to consider Handicrafts as ordered by the Committee on Monday, March 10, 1969.

The Chairman introduced Mr. Solomon, who, made a statement and was questioned. After questioning the Chairman thanked the witness.

The Chairman invited Mr. Churchman to make a statement after which he and Mr. Vokes were questioned.

Later it was

Agreed—that Item I—Departmental Administration of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 be allowed to stand.

(*Traduction*)

LE MARDI 11 mars 1969.
(13)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Watson, président,

Présents: MM. Borrie, Cullen, Deakon, Givens, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, St-Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(13).

Témoins: M. Arthur Solomon; *Du ministère des Affaires indiennes et du Nord canadien:* M. J. W. Churchman, directeur, Direction de l'expansion économique (Indiens-Esquimaux), Programme d'expansion économique; M. V. Vokes, agent senior de programmation, Arts et artisanat, Division des petites entreprises, Programme d'expansion économique.

Le président met en délibération le crédit 1—Administration centrale—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970, afin de permettre au Comité d'étudier la question de l'artisanat, comme il avait été prévu le lundi 10 mars 1969.

Le président présente M. Solomon, qui, après avoir fait une déclaration, répond à des questions. L'interrogatoire terminé, le président remercie le témoin.

Le président invite M. Churchman à faire une déclaration, puis ce dernier répond, ainsi que M. Vokes, à des questions.

Il est convenu—Que le crédit 1—Administration centrale du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970 soit réservé.

On motion of Mr. St-Pierre, at 1.00 p.m. it was

Agreed—that the Committee adjourn to the call of the Chair.

Sur la proposition de M. St-Pierre, à 1 h. de l'après-midi,

Il est convenu—Que le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Monday, March 10, 1969

• 1626

The Chairman: I would like to call Items 35 and 45 of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Conservation Program

Vote 35—National Parks, Historic Sites and Monuments, Wildlife Resources Conservation and Development including Administration of the Migratory Birds Convention Act—Administration, Operation and Maintenance including expenditures on works, buildings and equipment on other than federal property and grants as detailed in the Estimates, and authority to make expenditures on the proposed new national park in the area of Kejimkujik Lake in Nova Scotia
Total Vote 35: $23,056,600

B—NATIONAL BATTLEFIELDS COMMISSION

Vote 45—To authorize payments to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec (Chapter 57, Statutes of 1908, as amended) .....(12)
Total Vote 45: $335,000

I would like to comment that these estimates are the first ones we have considered in the six years I have been a member of Parliament where we are considering spending money before it is actually spent. I am happy with this development and I trust you are.

Mr. Dinsdale: I presume we are only dealing with one aspect of Item 35, Historic Sites.

The Chairman: Yes. Mr. Dinsdale is correct, we are dealing with the Historic Sites

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le lundi 10 mars 1969

Le président: Je voudrais mettre en délibération les crédits 35 et 45 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

Programme de conservation

Crédit 35—Parcs nationaux, lieux et monuments historiques, conservation et mise en valeur des ressources fauniques, y compris l'exécution de la Loi sur la Convention concernant les oiseaux migrateurs—Administration, fonctionnement et entretien, y compris les dépenses à l'égard de bâtiments, ouvrages et matériel situés sur des terrains autres que ceux du gouvernement fédéral, des subventions, selon le détail des affectations, et l'autorisation d'engager des dépenses pour l'aménagement projeté du nouveau parc national dans la région du lac Kejimkujik, en Nouvelle-Écosse
Total du crédit 35 $23,056,600

B—COMMISSION DES CHAMPS DE BATAILLE NATIONAUX

Crédit 45—Autorisation de faire des paiements à la Commission des champs de bataille nationaux aux fins et sous réserve des dispositions d'une loi concernant les champs de bataille nationaux de Québec (c. 57 modifié, Statuts de 1908).
Total du crédit 45: $335,000

J'aimerais signaler que ces prévisions budgétaires sont les premières, depuis six ans que je suis député, pour lesquelles nous envisagions des dépenses avant de les avoir déjà faites. J'en suis très heureux, et je suis certain qu'il en est de même pour vous.

M. Dinsdale: Je suppose que nous n'allons étudier qu'une partie du crédit 35: les lieux historiques.

Le président: Oui. M. Dinsdale a raison. Nous n'étions que la section relative aux lieux

[*Text*]

section of Item 35 in the Estimates of Indian Affairs and Northern Development. It is found on page 175 of the Blue Book on Estimates. I will ask Mr. Gordon to make a general statement on this item.

Mr. Gordon: Thank you, sir. I thought it might be helpful, Mr. Chairman, if I spoke very briefly and in an introductory way on the National Historic Sites Service, its purpose and objectives, and said something about the Minister's advisory board acting on matters of national historic significance.

The powers of the Board are defined in the Historic Sites and Monuments Act and it is, as I stated, the Minister's advisory body, while the National Historic Sites Service is the Minister's operational arm.

The National Historic Sites Service of the National and Historic Parks Branch is one of the three elements of the Department charged with major responsibilities in the important field of conservation of national resources. The other two elements are the National Parks Service and the Canadian Wildlife Service. Interestingly enough, this conservation program in the historic field is about 50 years old this year. It was on March 1, 1919, that the first Commissioner of Dominion Parks addressed to his Minister, the Minister of the Interior, a memorandum which led to the birth of the Historic Sites and Monuments Board of Canada. It might be interesting if I read an extract from the memorandum:

> In my opinion not every so-called historic site should be protected by the Federal Government as there will doubtless be claims advanced for the protection of sites which are only locally interesting from an historic standpoint.
>
> To overcome the difficulty of determining which sites are truly of Dominion wide concern, I would suggest that an honorary board or committee be appointed, composed of men from all parts of the country who are authorities on Canadian history, to advise the Department in the matter of preserving those sites which preeminently posses country wide interest...

This proposal was accepted by the Honourable Arthur Meighen, then Minister of the Interior, and on October 28, 1919, the Historic Sites and Monuments Board, then consisting of seven members, held its first meeting in Ottawa.

[*Interpretation*]

historiques du crédit 35 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien. Ce crédit se trouve à la page 175 du Livre bleu du Budget. Je vaiss demander à M. Gordon de faire une déclaration d'ordre général.

M. Gordon: Je vous remercie, monsieur. J'ai jugé qu'il serait bon, monsieur le président, de vous dire quelques mots d'introduction rapides quant au Service des lieux historiques nationaux, à sa fonction et à ses objectifs, et de vous parler de la commission consultative du Ministre chargée des questions d'importance historique nationale. Les pouvoirs de la Commission sont prévus dans la Loi sur les lieux et monuments historiques et, comme je l'ai dit, la Commission est l'organisme consultatif du Ministre, tandis que le Service des lieux historiques nationaux de la Direction des parcs nationaux et des lieux historiques est l'un des trois services du Ministère chargés de l'important domaine de la conservation des ressources naturelles. Les deux autres sont le Service des parcs nationaux et le Service de la faune du Canada.

Il est intéressant de noter que ce programme de conservation dans le domaine historique aura 50 ans cette année. C'est le 1er mars 1919 que le premier commissaire des parcs fédéraux a adressé à son ministre, le ministre de l'Intérieur, un mémorandum qui a donné naissance à la Commission des lieux et monuments historiques du Canada. Il serait peut-être intéressant que je vous lise un extrait du mémorandum, où l'on dit

> que tous les lieux dits historiques ne devraient pas être protégés par le gouvernement fédéral, étant donné qu'il y aura certainement des demandes en vue de la protection de lieux qui ne présentent qu'un intérêt local du point de vue historique. On y dit aussi que, pour surmonter la difficulté qu'il y a à déterminer quels sont les lieux qui présentent vraiment un intérêt fédéral, on propose la création d'une commission ou d'un comité honoraire, composé de spécialistes d'histoire canadienne de tout le pays, et qui conseillerait le Ministère quant à la préservation des lieux qui présentent réellement un intérêt à l'échelon national.

Cette proposition a été acceptée par l'honorable Arthur Meighen, qui était alors ministre de l'Intérieur, et le 28 octobre 1919, la Commission des lieux et monuments historiques, qui comptait alors sept membres, a tenu sa première réunion à Ottawa.

[*Texte*]

The Board now consists of 13 members, with two members from Ontario and Quebec, as has previously been explained. It can and does—in addition to the expertise the Board members provide—draw freely through the

• 1630

National Historic Sites Service on expert historical, archaeological and architectural advice in formulating its recommendations to the Minister, but in the end these recommendations have to be based on the best and fairest possible assessment of the historical evidence.

This Board is amongst the most hard-working of federal boards and its workload is continually increasing as the interest of Canadians in their history increases. At its last meeting it dealt with an agenda of 56 items and read background agenda papers totalling 700 pages before dealing with them. It now has to meet three times yearly and it has five committees: Inscriptions, Thematic Studies, Fur Trade and Indian Tribes, Historic Buildings and Criteria.

The National Historic Sites Service, which implements recommendations of the Board accepted by the Minister, is responsible for developing and operating a system of parks and sites that stretches from St. John's in the east to Vancouver Island in the West, and from Niagara and Amherstburg in the south to Churchill and Dawson City in the North. It is not just an Ottawa-centred Service, and its responsibilities and activities embrace the whole of Canada. The principal objective is to commemorate major events, persons, places and structures of truly national historic significance in such a way that history is brought alive for Canadians, students and adults alike. It operates interpretation centres—not museums—and it is beginning to make use of live animation for this purpose, for example at Lower Fort Garry and at Signal Hill. Live animation will be increasingly used where appropriate, and as staff and budget considerations permit.

Standards of restoration and interpretation are high and this implies a considerable period of research at each new park before any development can begin. Examples of the quality of restoration and interpretation at which the Service is aiming are represented for example by Bellevue House, Sir John A. Macdonald's house in Kingston, Lower Fort Garry outside Winnipeg, and the Fortress of Louisbourg. The latter is believed to be the biggest single historical restoration ever

[*Interprétation*]

La Commission compte maintenant 13 membres, l'Ontario et le Québec en ayant chacun deux, comme on l'a déjà expliqué.

En plus des connaissances spécialisées que fournissent ses membres, la Commission demande librement conseil au Service des lieux historiques nationaux sur des questions d'histoire, d'archéologie et d'architecture en vue de formuler ses recommandations au ministre, mais en fin de compte, ces recommandations doivent se fonder sur une évaluation aussi bonne et aussi juste que possible des preuves historiques.

Cette Commission est l'une des commissions fédérales qui travaillent le plus, et son travail ne cesse d'augmenter, étant donné que les Canadiens s'intéressent de plus en plus à leur histoire. Lors de sa dernière réunion, elle avait 56 questions au programme, et elle a lu des documents de base totalisant 700 pages avant d'aborder ces questions. Elle doit maintenant se réunir trois fois par an, et elle compte cinq comités: comités des inspections, des études thématiques, des tribus indiennes et du commerce des fourrures, des édifices historiques et, enfin, des critères.

Le service des lieux historiques qui applique les recommandations de la commission acceptées par le ministre est chargé d'exploiter un système de lieux et de parcs nationaux qui s'étendent depuis St-Jean dans l'Est jusqu'à l'île de Vancouver dans l'Ouest, de Niagara au sud à Churchill et Dawson City au nord. Il ne s'agit pas seulement d'un service centralisé à Ottawa, mais qui enveloppe tout le Canada. Le principal objectif est de commémorer les principaux événements qui représentent une importance historique nationale dans la mesure où cela est commémoré pour tous les Canadiens, qu'ils soient jeunes ou adultes, et ils commencent à utiliser de plus en plus l'animation à ce sujet.

L'animation sera de plus en plus utilisée dans la mesure des limites budgétaires, les normes de conservation et d'interprétation sont très élevées et cela implique beaucoup de travaux de recherche chaque fois qu'un projet peut être appliqué. Des exemples de la qualité des restaurations et de l'interprétation que recherche ce service est représenté par la maison de Sir John A. MacDonald et d'un certain nombre d'autres. On considère qu'il s'agit là de la plus grande restauration histo-

[*Text*]

undertaken anywhere, and will, when fully operational in 1972, be comparable in every way or in almost every respect, with Colonial Williamsburg. The U.S. National Park Service, I am proud to say, is amongst a number of organizations and agencies in Canada and other countries that have expressed their favourable impression with the quality of research, reconstruction and interpretation going on at Louisbourg.

It should also be noted that well-restored and interpreted national historic parks and sites are also becoming major tourist attractions, as the recent striking increases in attendance at National Historic Parks indicate. Further, studies conducted by the Canadian Government Travel Bureau show that historic sites are one of the major interests of U.S. tourists in Canada.

An important milestone in the work of the Historic Sites and Monuments Board and of the Service was reached last year when the National Historic Sites Policy Statement was tabled in the House by the then Minister of this Department, almost exactly a year ago today. This Statement is no doubt familiar to many of you, but in case it is not I have brought along copies for all members of the Committee. This Statement, which was recommended to the Minister by the Board, has already proved to be of great assistance to the Board in its deliberations, and is the guide which the National Historic Sites Service follows in its development program.

Reference is made in the Statement to the need for a system of parks and sites which is better balanced, both from thematic and geographic viewpoints, and I would like to touch on this very briefly. In the past our system has tended to stress military aspects of Canadian history and to be concentrated in certain provinces. This is now changing. A five-year program designed to achieve a proper balance has been drawn up, and a number of recent and imminent new additions will already provide a more satisfactory balance both thematically and geographically.

Finally, I would like to draw your attention to the statistics sheet which you will find clipped to your copy of the Policy Statement. The figures and information I believe speak for themselves and, I believe, show clearly how the public demand for the recent strong growth of this part of the Department's conservation program has developed.

The Chairman: Thank you, Mr. Gordon. Mr. O'Connell, have you any questions?

[*Interpretation*]

rique qui ait jamais été entreprise, et en 1972, lorsqu'elle sera restaurée complètement, on considérera qu'il s'agit de quelque chose de la même importance que Williamsburg. Il faut reconnaître que notre service participe à un certain nombre de réunions comprenant des représentants des services des parcs nationaux des États-Unis et que l'on apprécie la qualité de la restauration effectuée à Louisbourg. De même il faut reconnaître que ces lieux historiques restaurés représentent un attrait touristique de plus en plus grand. Des études ultérieures de l'Office du tourisme du Canada montrent que ces lieux et monuments historiques représentent un ensemble d'intérêt touristique pour les Américains.

L'année dernière la déclaration de la politique des lieux et monuments historiques a été déposée à la Chambre, il y a presque exactement un an jour pour jour. Vous connaissez tous cette déclaration sans aucun doute, mais au cas où ça ne serait pas le cas, j'en ai apporté avec moi un exemplaire à l'intention de tous les membres du comité. Cette déclaration représente déjà un outil très utile pour notre service.

Maintenant, dans la déclaration, on parle du besoin qu'il y a de mieux équilibrer les services des lieux et monuments historiques, du point de vue thématique comme du point de vue géographique, et je voudrais aborder la question très brièvement. Dans le passé, notre système a surtout insisté sur l'histoire militaire de notre passé. Cela maintenant est en train de changer grâce à un programme quinquennal qui a pour but de mieux équilibrer et les thèmes et les lieux géographiques. Finalement, j'aimerais attirer votre attention sur les données statistiques ci-jointes. Les chiffres et les renseignements, je pense, parlent d'eux-mêmes, et je pense que cela explique la raison pour laquelle ce ministère s'est fortement développé.

Le président: Je vous remercie, monsieur le ministre. Monsieur O'Connell, avez-vous une question?

[*Texte*]

• 1635

Mr. O'Connell: Mr. Chairman, I would like to ask a series of questions with respect to the plaques that are placed on historic sites. All of them relate to Indian affairs, basically. Could we have some idea of how many historical plaques there are on historical sites?

Mr. Bennett: Yes; there are 600.

Mr. O'Connell: Could you make a rough guess—which I suppose it would have to be—whether very many of them relate to contacts between European and Indian civilizations?

Mr. Bennett: This would have to be a guess. It would take a little time to break it down in this way. We do have the themes of the plaques broken down to a considerable extent, but not in the particular way that you have asked for. My guess would be that somewhere between 40 and 60 plaques deal with the subject to which you refer.

Mr. O'Connell: Thank you. Is there any policy of review of the inscriptions on these plaques? Could you elaborate if there is?

Mr. Bennett: Yes, there is, very definitely. A number of these inscriptions were drawn up as long as 40 years ago and since then more historical research has been done which, in some cases, has made the information on the plaques out of date. The plaques are being reviewed constantly with a view to updating them where this is desirable.

The Inscriptions Committee of the Historic Sites and Monuments Board is the Committee primarily responsible for drawing up the information that goes on these plaques, and as out-of-date plaques are drawn to its attention by the Service it reviews the inscriptions and recommends changes to the Minister.

Mr. O'Connell: I do not wish to generalize from a single example, but at least the plaque at the Fish Creek battleground does appear to be inaccurate. As I say, I do not wish to generalize but I think it would be sound proceedings for the Committee to review all of the inscriptions that relate to contacts between the Indians and others in Canada. In that respect, I notice in your policy statement that is being distributed on page 2 that:

> the Board has adopted the valuable device of special committees to expand and intensify its work.

Could you say whether any of those committees include Indians and Eskimos in their

[*Interprétation*]

M. O'Connell: Monsieur le président, j'ai une série de questions qui concernent les plaques placées sur les monuments et lieux historiques. Pouvez-vous nous dire combien il y a de plaques sur les monuments et lieux historiques?

M. Bennett: Oui, 600.

M. O'Connell: Pouvez-vous me dire combien de plaques relatent la rencontre des civilisations européennes et indiennes?

M. Bennett: Eh bien, cela est assez difficile à fixer. Il faudra un certain temps pour répartir les choses de cette sorte. Nous avons déjà un certain nombre de thèmes qui ont été répartis, mais pas dans l'ordre que vous avez indiqué, mais disons que je pourrais dire que 40 à 60 plaques concernent le sujet dont vous avez parlé.

M. O'Connell: Merci. Est-ce que vous envisagez de modifier les inscriptions de ces plaques?

M. Bennett: Eh, bien oui. Il y a effectivement un programme de révision. Un grand nombre de plaques ont été placées il y a quelque 40 ans. Depuis lors, on a fait beaucoup de travaux de recherches et bien sûr, cela a rendu un peu désuet les renseignements figurant sur ces plaques et ces plaques sont sans cesse réétudiées afin de les mettre à jour lorsque cela est souhaitable.

Le comité des inscriptions de la Commission des lieux et monuments historiques est le comité qui est chargé de rédiger les renseignements, les informations qui figurent sur ces plaques et au fur et à mesure où on attire son attention sur les éléments démodés et périmés, il procède aux modifications nécessaires.

M. O'Connell: Je ne voudrais pas généraliser à partir d'un exemple particulier, mais au moins la plaque de la bataille de Fish Creek semble être assez inexacte, je ne voudrais pas non plus généraliser, mais je pense qu'il serait bon que le comité passe en revue toutes les inscriptions qui portent sur les rapports entre Indiens et autres Canadiens. A ce sujet, je remarque dans votre document à la page 2 de la version anglaise,

> que l'on dit que la commission a adopté la recommandation du comité visant à identifier ces travaux.

Est-ce que vous pouvez nous dire si ces comités comprennent des Indiens et des Esqui-

[*Text*]

membership so that some input could be derived from that source?

Mr. Bennett: The committees consist only of members of the Board. There are no outside members on these Committees. The list of Board members is, of course, available to you.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have a supplementary question. I do not quite follow you, sir, in regard to his question. What do you mean by "no outside members"?

Mr. Bennett: The members of the Historic Sites and Monuments Board each serve on several committees of the Board, but all these committees are made up from within the Board structure.

Mr. Thomson (Battleford-Kindersley): Thank you. That is fine.

Mr. Gordon: Mr. Chairman, perhaps I could interject here and say that, as I mentioned in my statement, one of the subcommittees of the Board deals with the fur trade, and "Indian Tribes" is the name they have selected for themselves. We would be delighted, Mr. Chairman, to speak to the Board and to this committee in particular to see if there is some way in which they can indeed, in their recommendations, find some method of securing an Indian or Eskimo point of view or, indeed, possibly Metis in certain situations.

• 1640

The Chairman: Are you finished, Mr. O'Connell?

Mr. O'Connell: Yes, I think so. I just feel it is particularly important to review the inscriptions in those kinds of cases. I know there is a good deal of Indian interest in those inscriptions, particularly in some of them and, indeed, such is the inaccuracy I think of the one at Fish Creek that the Royal Regiment of Canada is concerned, too, since it has that battle on its battle honours and...

Mr. Bennett: If I may interject here, Mr. Chairman, this particular inscription is very definitely under active review and we hope to come up with a new one very shortly.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Mr. Gordon has stated that there is a considerable increase in interest in the preservation of Canada's historic sites and monuments, and I notice in the statistical statement that has been presented that from 1963-64 until 1968-69 the number of projects

[*Interpretation*]

maux pour que l'on puisse retirer quelque chose, de ces contacts.

M. Bennett: Les comités comprennent tous des membres de la commission. Autrement dit, il n'y a pas de membres extérieurs aux commissions. La liste des membres vous pouvez bien sûr l'obtenir.

M. Thomson (Battleford-Kindersley): Qu'est-ce que vous voulez dire par aucun membre de l'extérieur.

M. Bennett: Les membres de la Commission des lieux et monuments historiques siègent à plusieurs comités de cette commission. Autrement dit, les comités appartiennent à la structure même de la commission.

M. Thomson (Battleford-Kindersley): Merci.

M. Gordon: Monsieur le président, je pourrais peut-être intervenir et dire comme je l'ai indiqué dans le document, c'est que l'une des activités de la commission porte sur les tribus indiennes et sur les fourrures. C'est le nom qu'il s'est donné et qui parle de lui-même. Pour notre part, nous serions très heureux, monsieur le président, de trouver ici ou à la commission un moyen, en fait, de recommander une méthode permettant de connaître le point de vue des Esquimaux ou des Indiens au sein de ces comités.

Le président: Est-ce que vous avez fini, monsieur O'Connell?

M. O'Connell: Oui, je crois. Je pense qu'il est particulièrement important d'étudier les inscriptions qui figurent. Je sais qu'il y a beaucoup d'intérêt de la part des Indiens envers ces inscriptions et, en fait, l'inexactitude de celle de Fish Creek est telle que le régiment royal du Canada y est même impliqué étant donné que c'est sa bataille, c'est son combat.

M. Bennett: Si je peux me permettre, monsieur le président, cette inscription particulière est effectivement à l'étude et elle sera révisée très prochainement.

Le président: Monsieur Dinsdale.

M. Dinsdale: Monsieur Gordon a déclaré qu'il y a une augmentation considérable de l'intérêt public pour la préservation des lieux et monuments historiques parmi les Canadiens et j'ai remarqué dans les statistiques que l'on nous a données que de 1963-1964 jusqu'à 1968-

[*Texte*]

under development has gone up from 23 to 44. These are entirely new developments. How many of those would be considered major developments? Now, there are no additional Louisbourgs, Fort Garrys or Dawson Cities on.

Mr. Gordon: I will have to ask Mr. Bennett whether he can supply information on this.

Perhaps Mr. Dinsdale, if you will permit, with the Chairman's concurrence, we could go over the list of historic sites which we have if you could give us a few minutes, and perhaps go on to another question and then come back to this. Of that list which you are just picking up now, sir, . . .

Mr. Dinsdale: We have 44 here.

Mr. Gordon: Right.

Mr. Dinsdale: The reason I am interested is because it states from 1963-64 to 1968-69 there has been an increase of 23 to 44 under development. Does that mean that the total at 44 is under active development now?

Mr. Bennett: If I may comment, Mr. Chairman, with one or two exceptions these are under active development. The exceptions refer to sites such as York Factory which we have taken over in order to stabilize it and preserve it until such time as public access is possible, at which stage it will certainly be part of our development program. In the case of very remote sites, such as York Factory, this is strictly a holding operation on which we have embarked.

Mr. Dinsdale: Yes, that was the one I had my eye on and I think Mr. Simpson also has his eye on it because it is one of the great historic sites in Manitoba which, unfortunately, has been vandalized and ransacked to a considerable degree in recent years, particularly by hunters who are now able to fly into that area in their hunting excursions. I noticed there was a press release to the effect that the deeds to York Factory were accepted by the Minister at Lower Fort Garry last July 11. What action is being taken to prevent further vandalism and theft of artifacts which have been disappearing at an alarming rate?

• 1645

Mr. Bennett: We have done several things to preserve York Factory. First of all, a party

[*Interprétation*]

1969, le nombre de projets en cours est passé de 23 à 44. Ce sont des projets absolument nouveaux. Combien peut-on en considérer comme étant des projets importants? Est-ce qu'il y a d'autres «Louisbourg», «Fort Garry», ou «Dawson City»?

M. Gordon: Eh bien, je vais devoir demander à M. Bennett s'il peut nous fournir des renseignements à ce sujet.

Peut-être, monsieur Dinsdale, si vous me permettez, avec l'accord du président, pourrions-nous laisser de côté notre liste des lieux historiques, si vous avez quelques minutes.

Nous pourrions peut-être passer à une autre question, puis revenir à cette liste que vous venez de prendre, monsieur . . .

M. Dinsdale: Nous en avons 44 ici. La raison . . .

M. Gordon: En effet.

M. Dinsdale: La raison pour laquelle je m'intéresse à ce genre de choses, c'est que de 1963-1964 à 1968-1969, ils sont passés de 23 à 44 projets. Est-ce que cela veut dire que les 44 sont actuellement en cours d'exécution?

M. Bennett: Si je peux me permettre une remarque, monsieur le président, il y a une ou deux exceptions, mais ils sont tous en cours. Comme exceptions, nous avons par exemple la *York Factory* que nous avons pris en charge afin de la stabiliser et de la remettre en état jusqu'à ce que le public puisse y avoir accès. A ce moment-là, cela fera partie de notre projet de remise en état. Mais, en dehors de cela, dans le cas des sites très éloignés, comme York Factory, il s'agit surtout d'une opération de conservation.

M. Dinsdale: Oui, c'est exactement ce que je voulais dire, tout comme M. Simpson, parce qu'il s'agit là d'un des lieux historiques d'importance pour le Manitoba, mais malheureusement il a été pillé, des vandales l'ont saccagé au cours des récentes années, notamment des chasseurs qui peuvent se rendre dans la région en avion pendant leurs expéditions de chasse. J'ai remarqué qu'un communiqué précisait que le ministre avait accepté les titres de York Factory, le 11 juillet dernier, à Lower Fort Garry. Alors, je voudrais savoir ce que l'on pourrait faire pour empêcher les vols et autres détériorations, ainsi que les disparitions d'objets historiques comme cela s'est produit récemment.

M. Bennett: Il y a plusieurs façons de protéger York Factory. D'une part, un groupe a

[*Text*]

has gone in—it went in last summer—and has removed any easily portable artifact...

Mr. Dinsdale: That is left.

Mr. Bennett: ...that is left. We do have a lead on where some of these artifacts are and we have every reason to believe that in some instances the present owners of the artifacts will be willing to return them to York Factory at such time as York Factory is developed and opened to the public. We have also, with the aid of Indian work parties, cut all the brush around York Factory to try to minimize the fire hazard. This year we are planning to send in a team to help to stabilize the buildings.

In one place the foundation needs attention as does the roof. This year we are also going to make working drawings of York Factory to record it as it is now. We are still looking for one or two Indian families that we hope we can encourage to stay at York Factory during the spring, summer and fall in order to try to cut down the vandalism to which you refer.

Mr. Dinsdale: Does the Department expect to proceed with a major restoration in due course along the Louisbourg line, or is this something that is far in the future?

Mr. Gordon: Well, on that, sir, I think I can say that the main objective at York Factory at the moment is stabilization and protection of the site. Plans for actual development of the site, because of its remote locality and the difficulty of communications, are still some time in the future.

Mr. Dinsdale: According to the statistics the attendance figures are moving forward quite dramatically, up over a million in the last five years. I presume if we had the figures for 1967 they would be even greater than those that are presented for 1968-69—this was Centennial Year. Has there been a drop since that year or has it been...

Mr. Bennett: These figures, Mr. Chairman, do represent the 1967-68 figures. That figure of $2,518,788—there is a bracket directly below it—is the 1967-68 figure. We have not yet received complete information about the 1968-69 attendance.

Mr. Dinsdale: Now, obviously the historic sites and monuments are becoming a very integral part of our tourist industry. Are there any plans afoot to organize tours as they do in the United States, which would include visits to historic sites on an organized basis, retracing the history of Canada, par-

[*Interpretation*]

visité le lieu l'été dernier et a retiré tous les objets transportables...

M. Dinsdale: Qu'on y avait laissés.

M. Bennett: ... qu'on y avait laissés, bien sûr. Nous avons la liste de tous ceux qui ont disparu et nous avons de bonnes raisons de penser que les possesseurs actuels seront parfaitement disposés, dans certains cas, à les restituer dès que cet établissement sera remis en état et rendu au public. Avec l'aide d'Indiens, nous avons aussi réussi à couper les broussailles autour de York Factory pour essayer de minimiser les risques d'incendie. Cette année, nous prévoyons y envoyer une équipe afin d'aider à stabiliser cet édifice.

A un endroit, il faut réparer les fondations, de même que le toit. Aussi, cette année, nous allons établir les plans de York Factory pour les inscrire tels qu'ils se trouvent maintenant. Nous cherchons toujours une ou deux familles indiennes qui, nous l'espérons, nous pourrons encourager à habiter York Factory pendant le printemps, l'été et l'automne, afin de mettre fin au vandalisme dont vous avez parlé.

M. Dinsdale: Est-ce que le ministère s'attend à ce que l'on fasse les travaux de restauration, éventuellement suivant les travaux faits à Louisbourg, ou si c'est quelque chose de très éloigné.

M. Gordon: Je pense pouvoir vous dire en réponse, monsieur, que le principal objectif à York Factory, en ce moment, est de stabiliser la situation et de protéger les lieux. Le programme de développement de ces lieux, vu l'éloignement de la localité et les difficultés de communications, est encore reporté assez loin.

M. Dinsdale: Suivant les statistiques, le nombre des visites augmente de façon assez rapide, soit plus d'un million au cours des cinq dernières années. Alors, j'imagine que si nous avions les chiffres de 1967, ce serait encore plus élevé que ceux que nous avons pour 1968-1969. Ce fut l'année du Centenaire. Est-ce qu'il y a eu une baisse depuis lors?

M. Bennett: Ces chiffres, monsieur le président, représentent les données de 1967-1968. Ce chiffre de $2,518,788—il y a un crochet dessous—est celui de 1967-1968. Nous n'avons pas encore obtenu tous les renseignements à l'égard de 1968-1969.

M. Dinsdale: Donc, les lieux et les monuments historiques deviennent partie intégrante de notre industrie touristique. Est-ce qu'on songe alors à organiser des tournées comme on le fait aux États-Unis tournées qui incluraient les lieux historiques et des visites organisées, afin de retracer l'histoire du

[*Texte*]

ticularly in the Maritime region where there are a good many interesting historic sites? Is this contemplated as a tie-in with Canada's Travel Bureau?

Mr. Gordon: Yes, sir; we have had discussions with the Travel Bureau on this precise point. I paid my first visit to the historic sites in the Maritimes with Mr. Robinson who is here and certainly there is, as you suggest, a very happy interlocking of very interesting sites which, because of their location, would provide an opportunity for a cycle tour and some of this is happening spontaneously; that is, a visit to one site leads automatically to a visit to another and I think this needs to be interpreted and publicized in this way.

Mr. Dinsdale: What is the policy with respect to admissions to historic sites?

Mr. Gordon: We plan the introduction of fees at certain of the sites. We are not introducing these this year, but we have a fee structure which we propose to recommend to the Minister for consideration and which will probably be implemented in the next year.

• 1650

Mr. Dinsdale: I presume these would begin in your animated sites.

Mr. Gordon: Not necessarily so. Certainly, the animation does add to the costs and adds to the interest, but some of the sites that are static warrant at the present time, I think, a fee structure of some kind.

Mr. Dinsdale: Would you consider a fee schedule similar to those at Upper Canada Village or Fort Henry?

Mr. Gordon: I cannot really give particulars at the moment, but at the present time, at least, we are not proposing to recommend fees that are quite as high as those that are being charged at upper Canada Village.

Mr. Dinsdale: In other words, it would be nominal so as not to discourage Canadians and tourists from visiting these historic sites, and yet...

Mr. Gordon: We do not intend to make the fees prohibitive, but we do intend to charge a reasonable fee for the service we provide.

Mr. Dinsdale: Will Louisbourg be animated when completed?

[*Interprétation*]

Canada, surtout dans la région des Maritimes, où vous avez bon nombre de lieux historiques des plus intéressants? Est-ce que vous songez à un rattachement à l'Office de tourisme du gouvernement canadien?

M. Gordon: Oui. Nous avons eu des entretiens avec l'Office à cet égard. J'ai d'abord visité les lieux historiques des Maritimes, avec M. Robinson; ces lieux constituent un ensemble très intéressant et il y aurait possibilité d'y avoir une tournée, si les choses se produisaient de façon spontanée: on visite d'abord un premier lieu, et ensuite on veut se rendre au deuxième, et on fait notre publicité de cette façon.

M. Dinsdale: Quelle est votre politique pour ce qui est de l'admission aux lieux historiques?

M. Gordon: Là-dessus, monsieur le président, nous prévoyons exiger des frais d'admission pour certains des lieux historiques. Nous ne le faisons pas cette année, mais nous prévoyons faire une telle recommandation auprès du Ministre pour fins d'étude, ce qui sera sans doute mis en vigueur au cours de la prochaine année.

M. Dinsdale: J'imagine que ce sera pour les lieux où il y a reconstitution.

M. Gordon: Non, pas nécessairement. L'aspect reconstitution ajoute aux frais et à l'intérêt que l'on peut porter, mais certains des lieux statiques, même en ce moment, devraient exiger des frais d'admission.

M. Dinsdale: Quelque chose d'analogue à ce que vous avez à Upper Canada Village ou au Fort Henry?

M. Gordon: Je ne saurais vous apporter les détails en ce moment, mais nous n'avons pas l'intention d'avoir des frais aussi élevés en ce moment, qu'à Upper Canada Village.

M. Dinsdale: Autrement dit, ce serait simplement pour ne pas décourager les Canadiens et les touristes de visiter ces lieux historiques, et...

M. Gordon: Nous n'avons pas l'intention d'exiger des frais d'admission très élevés, mais quelque chose de juste et raisonnable pour les services que nous assurons.

M. Dinsdale: Est-ce qu'il y aura des reconstitutions historiques à Louisbourg lorsque ce sera terminé?

[*Text*]

Mr. Gordon: We have hopes for animation of Louisbourg, sir. Yes, indeed we have.

Mr. Dinsdale: You mentioned animation at Fort. Garry. I have not seen Fort Garry since this animation began. What is the nature of the living museum presentation at Lower Fort Garry.

Mr. Bennett: At stated hours of the day a force artillery group do drill and come out and fire a cannon outside the river gate of Lower Fort Garry. It seems to be extremely effective and always draws large crowds. We are going to have to put up a notice this year to warn people to be ready for the bang. It always fascinates me the way tourists jump about ten feet, with their cameras, when the cannon goes off. I do not know what kind of results they get.

Mr. Dinsdale: Who provides the animation, the students on summer jobs or local people?

Mr. Bennett: They are partly students, partly local militia, and we arrange with this a local group in Winnipeg.

Mr. Dinsdale: I would presume too that in animating Batoche and so forth you would rely mostly on students employed in summer jobs.

Mr. Gordon: As a matter of policy, Mr. Chairman, we have two hopes with regard to our animation program. We hope, first of all, to be able to involve local groups in connection with this, as has happened at Fort Garry and, secondly, the opportunity of course of using students is a very real one and very worthwhile—although in some areas where you are working in pockets of deprivation or poverty the animation may well take place outside of the student body itself.

Mr. Thomson (Battleford-Kindersley): Did I understand you to say that you are going to animate Batoche.

Mr. Gordon: No, I did not say that, sir. I think the question was whether we proposed to use students primarily and it was that part of the question I was discussing.

Mr. Thomson (Battleford-Kindersley): I see, You are not going to have someone marching around at Batoche replaying the scene.

Mr. Gordon: No, I was not answering the question of Batoche, I was answering the other question.

Mr. Dinsdale: I raised the point of Batoche, Mr. Chairman. I think it has good prospects. For example, it would provide summer

[*Interpretation*]

M. Gordon: Oui, nous espérons pouvoir le faire lorsque ce sera terminé.

M. Dinsdale: Vous avez parlé de reconstitution au Fort Garry. Je n'ai pas vu Fort Garry depuis qu'on a commencé cette présentation animée. De quel genre de reconstitution s'agit-il?

M. Bennett: A des heures données, les groupes d'artillerie font des exercices, tirent un canon à l'extérieur de la porte donnant sur la rivière; cela semble attirer bon nombre de visiteurs et, cette année, nous essaierons d'aviser les touristes, de se préparer, disons, à recevoir ce bruit, parce qu'ils sautent toujours une douzaine de pieds, avec leurs appareils photographiques, lorsque le canon tonne, je me demande quelles photos ils obtiennent.

M. Dinsdale: Est-ce que ce sont des étudiants ou des gens du pays qui font l'animation?

M. Bennett: Des étudiants et la milice locale, nous prenons des dispositions avec le groupe local de Winnipeg.

M. Dinsdale: J'imagine que pour la recréation de l'action de Batoche et autre vous devez compter essentiellement sur des étudiants employés pour l'été.

M. Gordon: Pour ce qui est du programme d'animation notre politique est de réaliser 2 objectifs. Nous espérons, tout d'abord, utiliser des groupes locaux, comme cela se fait à Fort Garry. Deuxièmement, avoir recours au service des étudiants est quelque chose de vraiment méritoire et de valable, bien que dans certaines régions où vous avez des secteurs de pauvreté, cette animation peut se faire à partir de cadres extérieurs à celui des étudiants.

M. Thomson (Battleford-Kindersley): A cet égard, si j'ai bien compris, vous allez animer Batoche?

M. Gordon: Non, ce n'est pas ce que j'ai dit. Je pense, que la question était de savoir si nous avions l'intention d'avoir recours essentiellement au service des étudiants.

M. Thomson (Battleford-Kindersley): Je vois. Donc, vous n'avez pas l'intention d'avoir une recréation de Batoche?

M. Gordon: Non, je ne répondais pas à la question portant sur Batoche, je répondais à l'autre question.

M. Dinsdale: J'ai soulevé la question de Batoche, monsieur le président, parce que les perspectives sont excellentes. Cela donnerait

[*Texte*]

employment for some of our Indian students if they re-enacted the battles there. I am advised we could still get Chief Bear MacLean to do it in person. If so this is all the more important. If we had an historic figure identified or associated with an historic site it would have tremendous appeal.

Mr. Gordon: We would like to animate, Mr. Chairman, in as many places as it is appropriate. It is subject of course to costs, to staff and to priorities. I would like to just add in parenthesis here that as we add sites to our program we automatically build up the continuing level of our costs in terms of operation and maintenance, and these show a progressive rise. This is inevitable as you add sites to your program. We are hoping in animation, again, through the use of local groups, volunteer groups and so on who have a legitimate interest in the tourist attraction that this offers. It provides an opportunity for local groups to make a contribution without

• 1655

inflating unduly the operational and maintenance costs related to these various sites.

Mr. Dinsdale: I do not see George Island in this list. Is there anything going on at George Island in Nova Scotia?

Mr. J. I. Nicol (Director, National and Historic Parks Branch, Department of Indian Affairs and Northern Development): Not at the moment, Mr. Chairman. There are in the Halifax defence complexes a number of separate units, of which George Island is one. We are working at the Halifax defence complex as a unit on a planned program basis, and we will get to George Island within the program period.

Mr. Dinsdale: There is some animation on Citadel Hill. What sort of animation is that?

Mr. Bennett: We mention, Mr. Chairman, Signal Hill as an example, of the kind of animation program we have, where a small-scale tattoo is put on each summer at stated periods with the aid of the local militia.

Mr. Dinsdale: There is nothing at Citadel Hill in Halifax?

Mr. L. H. Robinson (Regional Director, Atlantic Region, National and Historic Parks Branch, Department of Indian Affairs and Northern Development): No there is not except that this summer, sir, we are attempting to arrange with the local militia some

[*Interprétation*]

des emplois d'été à certains des étudiants Indiens, par exemple, s'ils représentaient ces batailles. On m'a dit que l'on pourrait avoir le chef Bear MacLean en personne. Si c'est vrai ce serait extraordinaire. L'association d'un site et d'une personnalité historiques créerait un engouement extraordinaire.

M. Gordon: Nous aimerions bien faire cette animation, dans bien des endroits, là où c'est approprié de le faire, mais il nous faut tenir compte des priorités, du personnel et du coût. Je voudrais simplement ajouter entre parenthèses que, alors que nous ajoutons des lieux à notre programme, nous augmentons le niveau de nos coûts pour ce qui est des opérations, de l'entretien et de l'administration. Et, ils augmentent de façon progressive, c'est inévitable lorsque le programme s'élargit. Nous espérons beaucoup de l'animation et de nouveau, par l'intermédiaire de groupes locaux, de groupes bénévoles, et autres qui s'intéressent vraiment à l'attrait touristique. Cela fournit à ces groupes locaux l'occasion de participer sans augmenter indûment les frais d'exploitation.

M. Dinsdale: Je ne vois pas du tout Georges Island dans cette liste. Est-ce qu'on prévoit quelque chose à Georges Island en Nouvelle-Écosse?

M. J. I. Nicol (Directeur, Service des parcs nationaux et historiques, ministère des Affaires indiennes et du Nord canadien): Pas en ce moment. Il y a à Halifax un certain nombre d'unités distinctes, et Georges Island en est une. Nous travaillons au centre des défenses d'Halifax, comme sur un tout avec un programme planifié et nous en arriverons à Georges Island éventuellement.

M. Dinsdale: Il y a animation à Citadel Hill? Quel genre d'animation avez-vous là?

M. Bennett: Nous donnons là l'exemple de programme d'animation que nous avons, il y a une petite parade militaire, présentée l'été avec l'aide de la milice locale.

M. Dinsdale: Il n'y a rien de ce genre à Halifax à Citadel Hill.

M. L. H. Robinson (Directeur régional, Région atlantique, Service des Parcs nationaux et historiques, ministère des Affaires indiennes et du Nord canadien): Non, sauf que cet été, nous essayerons d'organiser, avec la milice locale, une sorte de cérémonie de

[*Text*]

kind of a guard-changing ceremony—something on a small scale at the militia's expense.

Mr. Dinsdale: They were trying that some years ago. I think it would be a good challenge to the militia. Is any further restoration contemplated for Dawson City as an historic site? It was declared an historic site or a community, and I think it is the first of its kind in Canada.

Mr. Gordon: That is right, sir. It is in the process of the final stages of a feasibility study at the present time. We expect an announcement before too long.

Mr. Dinsdale: This Committee was in the Yukon recently and—we did visit Dawson City. It would seem that Dawson City's chief economic asset is going to be as a tourist attraction. It would appear, too, that the auditorium-theatre is the nucleus now of this tourist interest, as well as the S.S. Keno. There is a problem with respect to the old administration building being used now as a museum. There is some concern whether it would survive the construction of a new hospital. I do not know whether this is in the hands of the Historic Sites and Monuments Board of Canada but it would seem to me that to demolish the old administration building would result in the loss of a very important historic aspect of the gold-rush city.

Mr. Nicol: The problem, Mr. Chairman, with the administration building is that it will almost have to be taken down and put up again. It is on a very unstable foundation and there is some question in the minds of people there right now whether it should be occupied at all. The Historic Sites and Monuments Board met last summer in Dawson City and have made certain recommendations to the Minister, which are under study now, in connection with this matter of the historic complex at Dawson City itself. We are working, as Mr. Gordon said, on a feasibility study of how we can best meet the Board's recommendations.

Mr. Dinsdale: I understand that the daughter of Robert Service is interested in doing something with the Robert Service cabin. Would this have to be done through the Historic Sites and Monuments Board now that the department is in charge of Dawson City as an historic site or could they work through a local committee? If an individual person

• 1700

wanted to assist in a specific restoration, how could this be done? Would it have to be done through the government, through the Board or could it be done through a local committee of the community—the local council for instance?

[*Interpretation*]

relève de la garde; quelque chose de peu important, aux frais de la milice.

M. Dinsdale: Ils ont déjà essayé cela il y a quelques années. Je pense que c'est intéressant pour la milice. Est-ce qu'il y a d'autres travaux de restauration d'envisagés pour Dawson City. Ce fut déclaré lieu historique ou collectivité historique, et je pense que c'est la première de ce genre au Canada.

M. Gordon: C'est juste. Nous sommes en train de terminer les dernières étapes des études. Nous espérons pouvoir annoncer quelque chose d'ici peu.

M. Dinsdale: Ce Comité s'est rendu au Yukon récemment et nous avons visité la ville de Dawson. Il semble que le principal avoir de la ville de Dawson c'est l'attrait touristique. Il semble aussi que le théâtre auditorium est maintenant le noyau de cet intérêt touristique avec le S. S. Keno, mais il y a un problème qui se pose pour ce qui est de l'ancien édifice de l'administration, qui sert maintenant de musée. On se demande s'il pourra survivre aux travaux de construction du nouvel hôpital. Je ne sais pas si la Direction des sites historiques a été saisie de l'affaire, mais je pense que si on démolissait l'ancien édifice de l'administration nous perdrions un aspect historique des plus importants, de cette ville de la ruée vers l'or.

M. Nicol: Le problème, monsieur le président, pour ce qui est de l'édifice de l'administration, c'est qu'il faudrait pratiquement le démolir et le reconstruire. Il se trouve sur une fondation peu stable et certains se demandent même si on devrait l'occuper. La Direction des sites historiques s'est réunie l'été dernier à Dawson City, a formulé certaines recommandations au ministre, recommandations qui sont à l'étude maintenant, à l'égard de cette question du complexe historique de la ville de Dawson. Nous travaillons comme l'a dit M. Gordon, sur une étude des possibilités, pour voir comment endosser les recommandations de cette Direction.

M. Dinsdale: Si je comprends bien, la fille de Robert Service s'intéresse à faire quelque chose avec la maison de Robert Service. Est-ce que ce serait fait avec la collaboration de la Direction des sites historiques et des monuments historiques, ou est-ce qu'elle pourrait le faire par l'entremise d'un comité local? Si une personne désire, disons, venir en aide dans un travail donné de restauration, comment peut-on procéder? Est-ce qu'on doit le faire par l'entremise du gouvernement, de la Direction, d'un comité local ou du Conseil local?

[*Texte*]

Mr. Nicol: I think in this regard you have to understand first, Mr. Chairman, that the Historic Sites and Monuments Board selected certain buildings throughout the townsite, and the Service cabin was one, which would form the historic building complex. We have not tried to preserve the whole town because there are large sections in the town that are not really historic in that sense. Now, as a department we have to acquire the buildings that we consider in keeping with the Board's recommendation. Until we acquire them, of course they are still in the control of the present owners. If and when we acquire the Service cabin we would certainly very much like to work with her.

Mr. Dinsdale: So it is possible for a private citizen to participate in restoration. I think Williamsburg was entirely a private operation, was it not?

Mr. Nicol: It certainly was. It was the Rockefeller Foundation Board.

Mr. Dinsdale: What sort of co-ordination do you have with provinces working in the same field? Ontario has been very active, as indicated by Fort Henry and Upper Canada Village and other major restorations of that kind. Is there any co-ordination between Ottawa's activites and the provincial activities? If so, how is this co-ordination carried out?

Mr. Gordon: Perhaps, sir, before that question is answered and with respect to the other question you were addressing yourself to immediately prior to it, I shall draw your attention to section 3(b) of the Act as to whether this can be done, that is, to work through persons, if I may read it to you.

> The Minister may make agreements with any persons for marking or commemorating historic places pursuant to this Act and for the care and preservation of any places so marked or commemorated;

So it is not only a matter of policy but it is specifically provided for in the Act.

Mr. Dinsdale: Has Robert Service's daughter approached the department?

Mr. Bennett: Not that I am aware of.

Mr. Nicol: If I may proceed with the next question, Mr. Chairman, we work quite closely with the provincial departments which are working in the same field, and in the case of

[*Interprétation*]

M. Nicol: Je pense qu'ici tout d'abord, il nous faut bien comprendre, monsieur le président, que la Direction des sites historiques et monuments historiques a choisi certains édifices dans cette ville et la maison de Service en était une, et cela constitue un ensemble des édifices historiques. Nous n'essayons pas de préserver toute la ville, parce qu'il y a de grandes sections dans cette ville qui ne sont pas vraiment de nature historique. En tant que service, il nous faut acheter les édifices, les constructions, suivant les recommandations de la Direction. Jusqu'à ce que nous en fassions l'achat, ils sont toujours sous le contrôle de leur propriétaire. Et, lorsque nous nous porterons acquéreurs de la cabine de Service, si nous le faisons, nous aimerions beaucoup travailler avec la fille de celui-ci.

M. Dinsdale: Alors, un simple citoyen peut très bien participer au travail des restaurations. Je pense qu'à Williamsburg, ce fut à peu près exclusivement une affaire privée.

M. Nicol: C'est la Fondation Rockefeller qui l'a fait.

M. Dinsdale: Quel genre de coordination avez-vous avec les provinces qui s'engagent dans ce même domaine? L'Ontario a fait beaucoup de travail, comme on peut le voir au Fort Henry, l'*Upper Canada Village*. Est-ce qu'il y a coordination entre les travaux entrepris par le gouvernement fédéral et ceux entrepris par les provinces? Et alors, comment cette coordination s'exerce-t-elle?

M. Gordon: Avant d'y répondre, pour ce qui est de cette autre question que vous avez posée avant, je vous signalerai l'article 3 b) de la Loi afin de voir les possibilités, soit de travailler par l'entremise des personnes. Et je cite:

> Le premier ministre peut convenir avec une personne pour commémorer les lieux historiques en vertu des dispositions de cette Loi pour le soin et la préservation des endroits ainsi indiqués ou pour la commémoration.

Ce n'est pas simplement une question de politique, mais c'est prévu dans la Loi.

M. Dinsdale: Est-ce que la fille de Robert Service a communiqué avec le ministère?

M. Bennett: Non, pas que je sache.

M. Nicol: Pour ce qui est de l'autre question, nous travaillons en étroite collaboration avec les services provinciaux qui exercent des activités connexes. Pour ce qui est de

[*Text*]

Ontario, we have a pretty general agreement on those things which we will do and those things which they will do. In addition, the branch and the Historic Sites service work with local historical societies throughout the country and we try to keep in regular contact with these.

In the case of Dawson City, for instance, we are working quite closely with the Dawson City Historical Society. Again in the case of Ontario, we work very closely with the Ontario Heritage Foundation through shared cost programs. We subsidize this under the joint program.

The Chairman: Mr. Thomson.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, will we be considering these estimates tomorrow too?

The Chairman: No, this is not planned, Mr. Thomson. We would like, if it is possible, to finish items 35 and 45 on the National Battlefields Commission. These are pretty restricted areas of our total estimates and unless we limit ourselves there is just no hope of considering them properly.

Mr. Thomson (Battleford-Kindersley): Anyway I was to participate in a private member's bill but I had one or two comments in reference to Batoche and animating this and other scenes, for example Cut Knife Hill, which is in my constituency. If any members of the Indian Affairs Committee are out looking at any of the reserves—and there are five in this area: the Poundmaker, Sweetgrass, Little Pine and so on, and Cut Knife Hill is

• 1705

on the edge of these—certainly it might be worthwhile to call and see the area where Colonel Otter, of the Queen's Own Rifles from Toronto, and I believe some Ottawa units at the time, too, were involved in the actual battle. There is a certain amount of underemployment among the Indians in this area and if something even on a short-term basis were to be done to animate in connection with the North Battleford fair or something like this, a pageant if you will, I think that I or anyone else could round up some of the descendants of Poundamaker and his braves and probably participate in anything of this nature. I did want to make that comment.

Is it proper at this time, Mr. Chairman, to ask about the tents policy in Prince Albert National Park?

[*Interpretation*]

l'Ontario, nous avons une entente générale quant à ce que nous ferons et ce qu'ils feront. De plus, la Direction et le Service des lieux historiques travaillent en collaboration avec les sociétés historiques locales dans tout le pays, et nous essayons de nous maintenir en contact avec elles.

Ainsi, dans le cas de Dawson City, nous travaillons en étroite collaboration avec la Société historique de Dawson City. Et pour revenir à l'Ontario, je dirais que nous travaillons étroitement avec l'*Ontario Heritage Foundation* au moyen de programmes à coûts partagés. Le tout est subventionné grâce au programme conjoint.

Le président: Monsieur Thomson.

M. Thomson (Battleford-Kindersley): Monsieur le président, est-ce que nous étudierons ces crédits de nouveau demain?

Le président: Non, ce n'est pas prévu. Si c'est possible, nous aimerions terminer l'étude des crédits 35 et 45, la Commission des champs de bataille nationaux. Ce sont des domaines assez restreints de notre budget et à moins que l'on se restreigne, on ne pourrait jamais oser espérer les étudier convenablement.

M. Thomson (Battleford-Kindersley): Je devais participer à un bill d'intérêt privé, mais je voulais faire un commentaire ou deux au sujet de Batoche et de la reconstitution qu'on peut en faire, ainsi que d'autres scènes, comme *Cut Knife Hill* qui se trouve dans ma circonscription. Si des membres du Comité des Affaires indiennes se rendent dans les réserves, et il y en a cinq dans cette région, ce serait une excellente idée que d'aller voir l'endroit où le Colonel Otter du *Queen's Own Rifles* de Toronto et quelques unités d'Ottawa ont participé à cette bataille. Il y a une insuffisance d'emplois dans cette région pour les Indiens, et si, même à court terme, on pouvait faire quelque chose afin d'organiser la reconstitution de la foire de North Battleford, je pense qu'il serait possible de retrouver certains des descendants de Poundmaker et de ses hommes qui pourraient participer à de tels événements. Je tenais à faire ce commentaire.

Est-ce qu'il serait approprié, à ce moment, monsieur le président, de demander pourquoi on a adopté cette politique à l'égard des tentes dans le Parc national de Prince-Albert?

[*Texte*]

The Chairman: You are asking a question with regard to national parks. This is not a national historic site.

Mr. Thomson (Battleford-Kindersley): That is right. It is a national park. May I ask it another time?

The Chairman: Yes. We will be dealing with national parks later.

Thank you, Mr. Thomson. Mr. Simpson is next, and Mr. Gundlock.

Mr. Simpson: Mr. Chairman, several questions that I had have been touched upon and several have been covered fairly completely. I did want to ask—and I think this has partially been answered—whether the Board does meet from time to time in different areas of Canada and not always at Ottawa.

Mr. Gordon: That is correct.

Mr. Simpson: Someone mentioned that they met on three occasions last year. Is that correct?

Mr. Gordon: Mr. Bennett will correct me if I am wrong but the Board has been meeting twice a year normally. However, the workload has now reached the point where three meetings are contemplated. Moreover they have formed these various subcommittees and empowered them to take certain defined decisions on behalf of the Board as a whole.

Mr. Simpson: Mr. Dinsdale asked several questions in regard to York Factory and, of course, coming from Northern Manitoba that is one in which I am quite interested. I have over the last number of years been asking quite a number of questions in the House on that. I was very pleased to hear the statement that some of the artifacts that had disappeared have possibly been located and may be returned. I am glad to hear this because I know that there are a number of the artifacts still in the general area.

The ones I know of are in good hands. Some of them are in the hands of churches, which would be only too willing to return them. I am told they took them merely because if they had not taken them someone would have, so we may be fortunate in getting some of these back. I would like to ask whether the Board or the staff employed by the Board are making the necessary inquiries of outfits such as the Hudson's Bay archives.

[*Interprétation*]

Le président: Vous posez une question qui se rapporte aux parcs nationaux. Ce n'est pas un lieu historique national.

M. Thomson (Battleford-Kindersley): C'est exact. Il s'agit d'un parc national. Puis-je reposer la question plus tard?

Le président: Oui. Nous aborderons ce sujet plus tard. Merci, monsieur Thomson. M. Simpson, et ensuite M. Gundlock.

M. Simpson: Monsieur le président, bon nombre de questions que je voulais poser ont déjà été posées et d'autres ont fait l'objet de réponses assez précises. Je voulais vous demander, je pense qu'on y a répondu en partie, si la Direction se réunit de temps à autre dans différentes régions du Canada ou est-ce toujours à Ottawa?

M. Gordon: C'est exact.

M. Simpson: Quelqu'un a parlé de trois réunions l'année dernière. Est-ce exact?

M. Gordon: M. Bennett pourra me reprendre si je me trompe, mais il y a habituellement deux réunions par année. Toutefois, le travail est maintenant tel, que nous en sommes rendus au point où nous songeons à avoir trois réunions par année. Différents sous-comités ont d'ailleurs été formés qu'on autorise à prendre certaines décisions bien précises au nom de la Direction.

M. Simpson: M. Dinsdale a posé plusieurs questions au sujet de York Factory, et vu que je viens du nord du Manitoba, je m'intéresse beaucoup à la question. Au cours des dernières années, j'ai posé un certain nombre de questions à la Chambre là-dessus. J'ai été fort heureux d'entendre que certains des articles historiques qui avaient disparu ont peut-être été retrouvés et pourraient être retournés. Je suis fort aise d'entendre une telle déclaration parce que je sais qu'il y a encore un certain nombre de ces articles dans la région.

Ceux dont j'ai entendu parler sont entre bonnes mains. Certains sont dans des églises qui se feraient un plaisir vraiment de vous les rendre. On me dit qu'ils les ont pris simplement parce que, s'ils ne les avaient pas pris, quelqu'un d'autre les aurait pris. On peut peut-être se compter chanceux de pouvoir en récupérer quelques-uns. Je voudrais demander si la Commission ou le personnel à l'emploi de la Commission fait les enquêtes voulues auprès des entreprises telles que les Archives de la Compagnie de la Baie d'Hudson.

[*Text*]

I imagine that the Hudson's Bay Company archives must have a pretty fair inventory of actually what artifacts were left there when they pulled out some twelve years ago and I am hoping that the staff of the Board are in close consultation at all times with Hudson's Bay to find out just what was there and what may have to be replaced when this is reconstructed or refitted. Is this being done?

[*Interpretation*]

J'imagine que les archives de la compagnie de la Baie d'Hudson ont un assez bon inventaire des articles qui s'y trouvaient lorsqu'ils s'y en sont retirés il y a douze ans. J'espère alors que le personnel de la Commission entretient d'étroites consultations avec la Compagnie de la Baie d'Hudson afin de voir ce qui s'y trouvait, ce qu'il nous faudra remplacer, voir ce qui sera aménagé à nouveau. Est-ce que vous le faites actuellement?

• 1710

Mr. Bennett: Yes, Mr. Chairman, it is being done. We have a very close and friendly working relationship with the Hudson's Bay Company and in particular with their archives department, and they are being very helpful to us not only in connection with York Factory but in connection with a number of the other fur trade posts that we have under development.

M. Bennett: Oui, monsieur le président. Nous avons d'excellents rapports avec la Compagnie de la Baie d'Hudson, surtout avec leur service des archives. Ils nous ont été très serviables non pas seulement en ce qui concerne York Factory, mais pour un bon nombre d'autres postes du commerce de la fourrure que nous sommes en train de réaménager.

Mr. Simpson: That is good. As I say, I am probably being very naive when I ask a question like that but I am curious to know. I can also understand your difficulties in getting caretaker assistance at York Factory as it is isolated. I guess the nearest group of Indian people are at Shamattawa and I can understand that if you did move some in they might go back to Shamattawa the next day. But I hope you do realize that it is imperative that during certain times of the year, particularly in the few months of summer they have there, every effort should be made to get caretakers. An awful lot of stuff has disappeared now and there is some left which will disappear if it is not looked after or possibly, as you say, taken and stored somewhere.

M. Simpson: C'est excellent. Donc, je suis peut-être un peu naïf de poser une telle question, mais enfin je suis curieux. Je comprends très bien que vous éprouviez des difficultés à obtenir des services d'entretien à York Factory qui est un poste isolé. Le groupe d'Indiens le plus rapproché est à Shamattawa, et si vous les déménagez à York Factory, ils retourneront probablement à Shamattawa le lendemain. J'espère que vous vous rendez compte qu'il est essentiel à certaines périodes de l'année, surtout pendant les quelques mois d'été, qu'on s'efforce vraiment d'avoir un concierge. Car tant d'articles disparaissent, et ceux qui y sont encore pourront éventuellement aussi disparaître si on ne les surveille pas. Il serait peut-être bon de les entreposer ailleurs.

Mr. Bennett: We are working very actively to try to find caretakers, I can assure you. As you yourself say, it is not easy.

M. Bennett: Nous essayons vraiment de trouver un concierge. Comme vous le dites vous-même, ce n'est pas facile.

Mr. Simpson: Within the last few years doors have been sawed up, locks have been sawed out of the doors, flooring has been taken, windows have been taken, and as you know it was certainly one of our greatest historical sites.

M. Simpson: Au cours des quelques dernières années seulement, on a scié les portes, enlevé les serrures, les planchers, les fenêtres. C'était un des principaux lieux historiques.

Well, that is fine on York Factory. Mr. Dinsdale asked a number of questions about Dawson City. Can you tell me what the status of the Robert Service Cabin is at this time? Does it belong to private individuals, or has it been taken over by the town?

Voilà tout ce que j'ai à vous demander sur York Factory. M. Dinsdale a posé un certain nombre de questions sur Dawson City. Pourriez-vous me dire quel est la situation de la cabine de Robert Service en ce moment? Et aussi est-ce la propriété d'un certain particulier ou encore est-ce que ce fut acheté par la ville?

Mr. Bennett: It belongs, I think, Mr. Simpson, to the Dawson City Historical Society.

M. Bennett: Je pense que c'est la propriété de la Société historique de Dawson City.

[*Texte*]

Mr. Simpson: That is a local group?

Mr. Bennett: That is a local group.

Mr. Simpson: You will undoubtedly be as well informed on this as I am, but when we were up there as a Committee last year they told us as they probably told you, that they are very short of funds and are even concerned about keeping the place brushed out so that fire will not take it away. I understand the Robert Service Cabin is in its original shape, right now.

Perhaps I should ask you to consider giving the local people sufficient funds at least to take care of buildings such as this, which you may wish to renovate in the future. Perhaps the Board should take that into consideration.

The Chairman: Mr. Simpson, as a supplementary on that, there must be a local historical society in Dawson City. Is there not some way of subsidizing this? I take it you are suggesting giving a subsidy to this local historical society to do precisely this.

Mr. Simpson: For specific projects which the Board feels, in its wisdom may now be taken over by them, or may be desired by them at a later stage.

Mr. Nicol: Mr. Chairman, in the Department there is provision for the joint venture of the acquisition and restoration of sites of national historic importance. In this particular case we have not considered this course of action because the other feasibility study is under review and should be available shortly; and we make our decision on whether or not to acquire. I think we probably will.

• 1715

Mr. Simpson: In conclusion on this subject, may I again say that I think it would be money well spent if National Historic Sites and Monuments Board of Canada were able, through their terms of reference, to give some financial assistance so that such buildings as the Robert Service Cabin could be maintained, especially if it is just a question of a little money.

I wish to raise one further matter, relative to York Factory. Is the Board aware of the fact that, as I understand it, a group of stu-

[*Interprétation*]

M. Simpson: Donc des groupes locaux?

M. Bennett: Oui, des groupes locaux.

M. Simpson: Vous êtes sans doute aussi bien renseigné que moi là-dessus. Mais lorsque nous nous y sommes rendus l'année dernière, en tant que Comité, ils nous ont dit, tout comme ils ont dû vous le dire, d'ailleurs, qu'ils n'ont pas suffisamment de fonds et qu'il ne leur est pas facile de maintenir l'endroit en assez bon état pour éviter les risques d'incendie. Si je ne me trompe, la «*Robert Service cabin*» est encore dans sa forme originale.

Je devrais peut-être vous prier d'allouer à ces gens-là suffisamment de fonds pour qu'ils puissent entretenir et maintenir des bâtiments de ce genre, que vous aimeriez restaurer à l'avenir. La Commission pourrait peut-être prendre cette requête en considération.

Le président: M. Simpson, une question complémentaire à ce sujet. Il devrait y avoir une société historique locale à Dawson City. N'y a-t-il pas moyen de la subventionner? Je crois comprendre que vous voulez parler de subventions, qui seraient versées à cette société historique locale pour ne faire que ce travail.

M. Simpson: Oui, c'est-à-dire pour les projets dont la Commission pense en toute sagesse, pouvoir se charger tout de suite ou plus tard.

M. Nicol: Monsieur le président, le ministère dispose de mesures qui lui permettent d'entreprendre, conjointement avec d'autres, l'acquisition et la restauration de lieux d'importance historique. Dans ce cas particulier, nous n'avons pas encore envisagé de le faire, parce que, la rentabilité de l'autre projet est à l'étude et devrait nous parvenir sous peu; c'est alors que nous déciderons si nous devons l'acquérir ou pas. Je crois que nous l'obtiendrons.

M. Simpson: Comme conclusion, permettez-moi de dire, une fois de plus, que ce serait, à mon avis, de l'argent bien placé si la Commission des lieux et monuments historiques du Canada pouvait par l'entremise de ses attributions accorder une certaine aide financière pour que des lieux tels que la cabine de «Robert Service» puissent être entretenus, surtout s'il est question d'un petit montant d'argent.

J'aimerais soulever une autre question concernant notamment York Factory. J'aimerais savoir si la Commission est au courant du

[*Text*]

dents from the University of Manitoba is interested in doing some digging in the York Factory area this summer? I am not against this. In fact, I have been trying to find them some assistance in the way of grants to do this, although I have not yet managed it.

Is this contrary to the turning over of the site by the Hudson's Bay Company to the National Historic Sites and Monuments Board of Canada? Does that automatically preclude groups going in and digging? They may not be digging on the actual York Factory property; they may just be doing their studies in the vicinity.

Mr. Bennett: Mr. Chairman, we are aware of this request. When we develop a site, we do set the highest possible standards in archeology, as elsewhere, and we like to have complete control of the research that is undertaken on it.

We have advised the University of Manitoba that we feel it is premature at this time to start archeological work of this kind, because unless one is prepared to follow up with some kind of immediate stabilization and possible reconstruction the work has to be done all over again later.

In view of the fact that York Factory is not likely to be accessible to the general public in the near future, we believe that archeological work, as well as other development work at the site, should be deferred at least for the time being.

Mr. Gordon: There is one other point, Mr. Chairman. An archeological dig and the exposure of structures, and so forth, to the air involves expenditures in protecting these from the elements. This has also to be considered. Therefore, when you are ready to pursue this seriously is the best time to involve the universities or whoever may be interested in the archeology. But a dig has to be rather carefully controlled, and we have to be prepared to follow up on whatever we may expose.

Mr. Simpson: That is fine. I take it, therefore, that through discussions with the university they may decide not to do that; or if they were going to do it in an area in which

[*Interpretation*]

fait que, d'après ce qu'on m'a dit, un groupe d'étudiants de l'Université du Manitoba, si je comprends bien, voudraient effectuer quelques fouilles dans cette région pendant l'été. Personnellement, je ne m'y oppose certainement pas. En fait, j'aimerais qu'ils puissent obtenir une certaine aide, sous forme de subventions mais malheureusement je n'y suis pas encore parvenu. Je voudrais savoir si cela n'est pas contraire au transfert de l'endroit par la Compagnie de la Baie d'Hudson à la Commission des lieux et monuments historiques du Canada. Cela exclut-il automatiquement des groupes d'aller et d'y effectuer des fouilles? Il se peut qu'ils ne fassent pas de fouille dans la région même, mais simplement aux environs. Je ne sais pas exactement.

M. Bennett: Monsieur le président, nous sommes au courant de cette demande. Lorsque nous mettons en valeur un lieu historique, nous fixons des normes des plus élevées en matière d'archéologie, comme ailleurs, et nous préférons avoir le plein contrôle des travaux de recherche qui ont lieu sur le terrain.

Nous avons informé l'Université du Manitoba que nous pensons que, pour le moment, il est prématuré d'entreprendre des travaux archéologiques de cette nature parce que, à moins d'être disposé à poursuivre ces travaux avec une sorte de stabilisation ou peut-être de reconstitution, on sera forcé de reprendre le travail plus tard. Étant donné que York Factory ne sera probablement pas accessible au public dans l'avenir immédiat, nous pensons que les activités archéologiques et autres devraient être remises à plus tard, du moins pour l'instant.

M. Gordon: Une autre question, monsieur le président. Il faut considérer qu'une fouille archéologique ainsi que l'exposition à l'air libre des structures et autres parties entraînent nécessairement des dépenses pour protéger ces objets contre les éléments. Par conséquent, lorsque le moment viendra pour entreprendre sérieusement ces travaux, il serait bon de faire intervenir les universités et autres organismes qui s'intéressent à l'archéologie. Mais une fouille archéologique doit être étroitement surveillée et nous devons être en mesure de nous occuper des objets découverts.

M. Simpson: C'est très bien. J'en conclus que l'université peut décider de ne pas participer aux travaux; ou bien, si elle décidait d'entreprendre des fouilles dans un secteur

[*Texte*]

they had to have permission of the Board then they are being prevented.

My next point did not come from anyone in charge of that group, but from one of the students. What happens if a group of archeological students decides to come in from the United States and starts digging around there? Would they have to have permission from someone in the Manitoba government to do this? I do not think they would.

Mr. Gordon: This has been declared a historic site and the Act does provide the means of control. We certainly would not favour a group of students from an American university. We would hope to involve one of our own universities, if at all possible.

• 1720

Mr. Dinsdale: Mr. Chairman, I have a supplementary. Is there not legislation now to prevent the theft of historical artifacts by archeologists operating from outside Canada?

Mr. Nicol: Not really; the legislation is pretty cloudy. We do not think there is adequate protection.

The protection that we have, of course, is ownership of the property, and we can prevent anybody from entering unless we so wish. This is a matter that has been of some concern to the Federal-Provincial Conference on Historical Resources Development, which is a conference of officials of the provinces and the federal government.

Mr. Dinsdale: But in actual fact there could be prosecution for trespass on property. I know that many very valuable artifacts are disappearing in this way. I was under the impression that action had been taken to stop the loss.

Mr. Bennett: I am afraid there is very little, Mr. Chairman, that I can add to what Mr. Nicol has said. The existing legislation is cloudy and does not give the protection we would like to have. It is particularly difficult to enforce in an area as remote as York Factory. We can control this in sites closer to centres of communication where we have staff on hand. But in these very remote sites it is almost impossible to control, until we bring in caretakers.

Mr. Dinsdale: But some of the losses were not in the remote sites. Parties were coming

[*Interprétation*]

qui requiert l'autorisation de la Commission, on les empêche de le faire. Mon prochain argument ne provient pas d'une personne chargée de ce groupe, mais bien d'un des étudiants. Que se passerait-il si un groupe d'étudiants archéologues venait des États-Unis, et commençait à entreprendre des fouilles autour des bâtiments? Est-ce qu'ils devraient avoir l'autorisation du gouvernement du Manitoba pour le faire? Je pense que non.

M. Gordon: Ce lieu a été déclaré lieu historique et la loi prévoit des moyens de surveillance. Nous ne favoriserions certainement pas un groupe d'étudiants d'une université américaine, nous préférerions que ce soit une université canadienne, si jamais c'est possible.

M. Dinsdale: Monsieur le président, j'ai une question supplémentaire. Est-ce qu'il n'y a pas actuellement une loi qui empêche le vol d'objects historiques par des archéologues venant de l'extérieur?

M. Nicol: Monsieur le président, pas exactement. La loi est assez vague: nous ne pensons pas qu'il y ait une protection suffisante actuellement. La seule protection que nous avons c'est la possession, bien sûr, de la propriété du terrain et nous pouvons empêcher quiconque d'y entrer si nous le voulons. Mais, c'est là une question qui a beaucoup intéressé la conférence fédérale provinciale sur la mise en valeur des lieux historiques qui est une conférence réunissant les fonctionnaires des provinces et du gouvernement fédéral.

M. Dinsdale: Mais, ou pourrait réellement poursuivre quiconque pénètre illégalement ces propriétés. Je sais qu'un grand nombre d'objets de valeur historique disparaissent de cette façon et je croyais qu'on avait pris des mesures pour empêcher ces pertes.

M. Bennett: Je crains qu'il y ait très peu à ajouter à ce que M. Nicol a dit. La loi actuelle est très floue et n'offre pas la protection que l'on voudrait avoir, et il est particulièrement difficile de l'appliquer dans des régions aussi éloignées que York Factory. On pourrait surveiller des lieux plus proches des moyens de communications, lorsque nous avons du personnel à proximité. C'est dans ces lieux très éloignés qu'il nous est difficile de faire quoi que ce soit, tant que nous n'aurons pas un responsable sur place.

M. Dinsdale: Mais certaines de ces pertes ne sont pas survenues dans les régions éloi-

[*Text*]

in and digging at random, having a merry old time, and running off with all the artifacts.

Could I ask a legal question? I do not know whether any of you gentlemen are lawyers. Whose jurisdiction is this, the province or Ottawa?

Mr. Gordon: Well, if the site has been declared a national historic site, then through the federal Act we have control. Otherwise the legislation is provincial, I believe, and it is on the provincial statutes that we must rely.

Mr. Dinsdale: And not all provinces have moved to protect themselves.

Mr. Gordon: I understand that Newfoundland has legislation. But of course, over and above the legislation itself in the more remote areas there is the problem of policing this matter.

Mr. Gundlock: A supplementary question, Mr. Chairman. Regardless of provincial and federal jurisdiction, certainly property is property. Is it not properly protected, regardless of jurisdiction?

Mr. Gordon: I could not disagree with that principle. I think there is a problem...

Mr. Gundlock: Well, I am just asking a question.

Mr. Gordon: Yes. It is a question of ownership here, sir, and the ownership of this...

Mr. Gundlock: Have you not complained?

Mr. Gordon: Well, again I have to go back to the property, which federally we own. If in our liaison with the provinces we find there has been despoliation or plundering of sites...

Mr. Gundlock: Which you know has been done.

Mr. Gordon: ...which has been done, then we have an avenue here of representation to the provincial authorities, and normally they are prepared to do whatever their legislation permits.

Mr. Gundlock: This is what I asked. Have you not complained?

Mr. Gordon: With respect to which site?

Mr. Gundlock: The site we are talking about.

[*Interpretation*]

gnées. Il suffit tout simplement d'arriver, de faire des fouilles, de bien s'amuser et de partir avec des objets historiques.

Est-ce que je pourrais vous poser une question juridique? Je ne sais pas si vous êtes des juristes, Messieurs, mais est-ce que cela relève de la compétence de la province ou du gouvernement fédéral?

M. Gordon: Si l'endroit a été déclaré lieu historique national, nous en avons le contrôle en vertu de la Loi fédérale, autrement la loi est d'ordre provincial, et c'est en fonction des lois des provinces que nous devons agir.

M. Dinsdale: Et les provinces n'ont rien fait pour se protéger?

M. Gordon: Certaines l'ont fait. Je crois savoir que Terre-Neuve l'a fait. Mais bien sûr, en dehors des questions de législation, il y a dans les régions les plus éloignées une question de police, de surveillance.

M. Gundlock: Monsieur le président, j'ai une question supplémentaire. En dehors des questions de compétence fédérale et provinciale, un bien est un bien. Est-ce qu'il n'est pas correctement protégé, quelle qu'en soit la juridiction?

M. Gordon: Je ne voudrais pas aller contre ce principe. En fait, il s'agit d'une question..

M. Gundlock: Je pose seulement une question.

M. Gordon: Oui. Il s'agit ici d'une question de propriété, monsieur, et la propriété de...

M. Gundlock: Mais est-ce que vous n'avez pas déposé des plaintes?

M. Gordon: Encore une fois, il faut revenir à ce lieu que nous possédions, en vertu de la loi fédérale. Si, avec les provinces, nous découvrons qu'il y a eu vol ou pillage sur des lieux...

M. Gundlock: Dont vous connaissez l'existence.

M. Gordon: . .nous pouvons alors nous adresser aux autorités provinciales, et, normalement, elles sont disposées à faire tout ce que leurs lois les autorisent à faire.

M. Gundlock: C'est pourquoi j'ai demandé: vous n'avez jamais déposé de plaintes?

M. Gordon: A l'égard de quel lieu?

M. Gundlock: De celui dont on parle.

[*Texte*]

Mr. Gordon: York Factory?

Mr. Gundlock: Yes.

Mr. Gordon: Well, apart from the difficulty of the limitations in provincial legislation, there is the problem of policing this at the present time. This is now a historic site, of course.

Mr. Gundlock: In respect to policing, have you not put forth a complaint to the people who have the proper jurisdiction?

• 1725

Mr. Gordon: Most of the plundering of York Factory went on prior to our acquiring it as a national historic site.

Mr. Gundlock: Yes, but after that, have you made no complaint?

Mr. Gordon: I would have to ask the...

Mr. Bennett: Mr. Chairman, we took over this site only last July, and as has already been stated, we have not been able to get caretakers in there on a permanent basis. We are not aware of any vandalism or plundering since last July. Until that time the site was owned by the Hudson's Bay Company, and it was really up to them, because they owned it, to try and keep control of their own assets.

Mr. Gundlock: Have you asked for protection of the site and property?

Mr. Bennett: We are trying to provide our own by finding Indian caretaker families to move in, but it is extremely difficult to find them. And unless we can find a caretaker family to move in, the site is so remote that it is almost impossible to give protection of the kind you are suggesting.

Mr. Gundlock: Oh, no. As I understand these things, if you had asked for protection or complained, you would have it.

Mr. Gordon: Mr. Chairman, one of the important reasons for acquiring this as a national historic site was to enable us to provide protection and stabilization.

Mr. Gundlock: Where did that part of the agreement come from?

[*Interprétation*]

M. Gordon: York Factory?

M. Gundlock: Oui.

M. Gordon: En dehors des limites de la loi provinciale, il y a un problème supplémentaire. C'est le problème de la surveillance. C'est maintenant un lieu historique, bien sûr.

M. Gundlock: Maintenant, pour cette question de surveillance précisément, avez-vous déposé une plainte auprès des gens qui sont responsables?

M. Gordon: Dans la plupart des cas, le pillage de York Factory a eu lieu avant que cela nous appartienne comme lieu historique.

M. Gundlock: Mais après, est-ce que vous n'avez pas déposé une plainte?

M. Gordon: Eh bien, il faudrait que je demande à ..

M. Bennett: Monsieur le Président, nous n'avons pris possession du lieu qu'en juillet dernier et, comme on l'a déjà dit, nous n'avons pas encore pu trouver de responsables sur place, en permanence. Nous ne sommes pas au courant d'actes de vandalisme ou de pillage, depuis juillet dernier. Avant, l'endroit appartenait à la compagnie de la Baie d'Hudson, et c'était à elle de faire toute la surveillance.

M. Gundlock: Est-ce que vous avez demandé un service de protection de ces lieux?

M. Bennett: Nous cherchons à fournir notre propre service de surveillance en cherchant une famille indienne, mais cela est très difficile à faire. A moins de trouver une famille indienne, l'endroit est tellement éloigné qu'il est presque impossible de trouver une protection semblable à ce que vous voulez dire.

M. Gundlock: Oh, non! D'après ce que je crois comprendre, si vous demandiez une protection ou si vous déposiez une plainte, vous obtiendriez satisfaction.

M. Gordon: Monsieur le président, je dois dire ici que l'une des raisons importantes pour lesquelles on acquiert un terrain comme cela pour en faire un lieu historique national, c'est d'en assurer la restauration et la protection.

M. Gundlock: D'où vient cette partie de l'accord?

[*Text*]

Mr. Gordon: It was a recommendation of the Historic sites and Monuments Board after representations had been made to it.

Mr. Gundlock: Well, you are beside the point here in a discussion of protection of property. A recommendation of the Board...

Mr. Gordon: Well, I think all I can say...

Mr. Gundlock: ...has nothing to do with protection of property regardless of whether the Crown owns it or a private individual owns it, or anyone else. Whether you find native people to look after it—I do not think that is the point, Mr. Chairman, in all deference.

The Chairman: Mr. Gundlock, you had another question which you indicated you wanted to ask.

Mr. Gordon: Well, I would like to have one more answer on this.

Mr. Gordon: Well, sir, perhaps I could just say this. I understand your concern is with respect to what could well be presumed to be an important and significant site...

Mr. Gundlock: Well, even if it is a small one.

Mr. Gordon: ...and where it comes to our attention federally that this site is being despoiled and plundered by unauthorized persons. If it lies within a province, our avenue of approach here would be to speak to our friends in the province and draw it to their attention if they did not already know of it, because the competence lies within provincial legislation and provincial enforcement, and I am sure they would do whatever they could to protect the site. Not only are the federal and provincial governments involved, but there are local historical societies who are very accute and alive to this kind of thing.

Nevertheless, I have to say that in the more remote areas it is very difficult, because of lack of policing, to keep control over this, and as was said previously, the legislation itself, from a legal point of view, is a little cloudy in this matter.

Mr. Gundlock: This is the point, Mr. Chairman. Whether it is remote or not, we are still entitled to protection from the law.

The Chairman: Perhaps, Mr. Gundlock, we can ask a supplementary question of Mr. Gordon. Has any consideration been given to amending the Criminal Code to make it a

[*Interpretation*]

M. Gordon: C'était à la suite d'une recommendation de la Commission des lieux et monuments historiques, après qu'on eut fait des représentations auprès de la Commission.

M. Gundlock: Vous vous écartez du sujet en parlant de protection de la propriété. Une recommandation de la Commission...

M. Gordon: Tout ce que je peux dire...

M. Gundlock: ...n'a rien à voir avec la protection des biens, qu'ils appartiennent à la Couronne ou à un individu; que vous trouviez des indigènes pour les surveiller, là n'est pas la question, monsieur le président.

Le président: Monsieur Gundlock, vous avez une autre question à poser, semble-t-il?

M. Gundlock: Eh bien, j'aimerais que l'on me donne une autre réponse à ce sujet.

M. Gordon: Monsieur, je crois comprendre que vous vous préoccupez d'un lieu historique important ou présumé important...

M. Gundlock: Même s'il est petit.

M. Gordon: ...et lorsqu'on nous en parle au niveau fédéral, c'est-à-dire lorsqu'on nous dit que cet endroit est pillé ou saccagé, notre manière de procéder serait alors de nous mettre en contact avec les responsables provinciaux et d'attirer leur attention, si ce n'est déjà fait, parce que la loi est une loi provinciale et l'application de cette loi relève de la compétence de la province. Et je suis convaincu qu'ils prendraient toutes les mesures possibles pour protéger ce lieu. Non seulement s'agit-il là des gouvernements provinciaux et fédéral, mais il y a aussi des sociétés historiques locales qui sont très intéressées par ces questions.

Mais il n'en reste pas moins que, dans les régions les plus éloignées, je dois vous avouer qu'il est très difficile, en raison du manque de surveillance, de contrôler cela, et, comme je l'ai déjà dit, au point de vue juridique, la loi est assez vague à ce sujet.

M. Gundlock: Monsieur le président, que la région soit éloignée ou non, nous devons bénéficier malgré tout de la même protection, en vertu de la loi.

Le président: Monsieur Gundlock, nous pourrions peut-être poser une question supplémentaire à M. Gordon. Est-ce que l'on a envisagé par exemple de modifier le Code

[*Texte*]

criminal offence to remove artifacts from the national historic site areas?

Mr. Gundlock: I can answer that, Mr. Chairman. No amendments are necessary.

• 1730

An hon. Member: We have to catch them though.

Mr. Gundlock: You are not going to catch them if you do not ask someone to look for them.

Mr. Dinsdale: Could I ask a supplementary question, Mr. Chairman. I would presume that since the Department has taken this York Factory site over, you are now displaying large formidable signs saying that it is prohibited to remove artifacts, and you will be hung from the high tower if you are caught, and so forth?

Mr. Bennett: I can say, Mr. Chairman, having visited the site myself in July, that such a sign is up there. I found in July that the best possible protection was the swarms of deer flies and mosquitoes.

Mr. Dinsdale: Is that sign displayed in Eskimo and Indian, French and English?

Mr. Marchand (Kamloops-Cariboo): They do not steal.

Mr. Dinsdale: Touché.

Mr. Simpson: I have taken up too much time of the Committee already, but on this one point, I would suggest that particularly during the recognized open goose-hunting season, every effort be made to have a caretaker there because I know people who go in there, and I hear of things that certain crews have taken out. That is one particular time of the year.

I have no knowledge of vandalism by any industrial outfits working in that area, but there is a lot of exploration going on for oil in the area; in fact, one of the main camps was supposed to have been located near York Factory but I think they changed their plans.

I would hope that the movements and setting up of camps in that area would be kept in mind, and possibly a very nice letter written to the oil people in charge of the exploration asking them to keep their eyes on it for the National Historic Sites.

[*Interprétation*]

criminel afin de rendre délit criminel le vol d'objets historiques d'un lieu historique national?

M. Gundlock: Monsieur le président, je peux vous répondre simplement en vous disant qu'il n'est pas nécessaire de modifier la loi.

Une voix: Il suffit d'attraper les coupables.

M. Gundlock: Vous ne les attraperez pas à moins de demander à quelqu'un de les rechercher.

M. Dinsdale: Puis-je poser une question complémentaire, monsieur le président? Je suppose que, étant donné que le ministère a pris possession de York Factory, vous devez avoir d'immenses panneaux qui indiquent clairement qu'il est interdit d'enlever des objets et que toute personne qui le fera sera pendue, et ainsi de suite.

M. Bennett: Après avoir visité cet endroit en juillet, je puis dire qu'il y a une affiche de ce genre; mais je dois dire que j'ai alors constaté que la meilleure protection possible contre ce lieu historique, c'était les mouches noires et les maringouins.

M. Dinsdale: Est-ce que cette affiche est rédigée en français, en anglais, en esquimau, en indien?

M. Marchand (Kamloops-Cariboo): Ils ne volent pas.

M. Dinsdale: Touché!

M. Simpson: J'ai pris trop de temps déjà, mais je voudrais également dire que, particulièrement pendant la saison de chasse à l'oie, il faudrait faire tout ce qui est en votre pouvoir pour y mettre un gardien, et moi je connais des gens qui vont sur place et des équipes entières qui se sont installées là-bas.

Il y a d'autres époques de l'année où il n'y a pas de vandalisme de la part des entreprises industrielles qui travaillent dans la région. Et il se fait beaucoup de recherches pétrolières dans cette région. D'ailleurs, le camp principal devait être installé près de York Factory mais ils ont changé d'idée.

J'espère qu'on tiendra compte du mouvement et de l'érection des camps dans la région et, peut-être écrire une lettre gentille aux sociétés pétrolières chargées de ces forages afin de leur demander de tenir compte des lieux historiques.

[*Text*]

Mr. Gordon: You will be happy to know, sir, that we have, in fact, done this in a number of instances where we know that oil and mineral exploration generally is going in. Where it is adjacent to historic sites we have asked for the co-operation of the company.

The Chairman: Mr. Gundlock, did you have a further question?

Mr. Gundlock: I do not want to seem facetious Mr. Chairman, but listening a while ago about the close liaison and co-ordination between the branch of tourism and Historic Sites, it takes me back—I never want to forget it, as a matter of fact—to a conversation with Senator Mansfield from Montana, a U. S. Senator, who said: "Well, why do you people not pave the Alaska Highway and trade a corridor from Whitehorse to the ocean?", and I mentioned this in Whitehorse.

In talking about historic sites it would probably be the greatest one that Canada ever saw and probably would promote tourism greater than any other. It is worth a thought and I just want to put it on record, Mr. Chairman.

The Chairman: Thank you, Mr. Gundlock. Mr. Marchand?

Mr. Marchand (Kamloops-Cariboo): I just have a very short question, Mr. Chairman. They are talking about hiring students this summer and there is a lot of concern about hiring university students now. Last year was a particularly lean year for students trying to find employment. I wonder how many students will be hired by the National Historic Sites people this year compared with last year? Does the employment picture look a little better?

• 1735

Mr. Nicol: I think, Mr. Chairman, the answer is that probably the picture will be exactly the same as last summer. Many of the students are hired locally through the Manpower centres, so we do not have a complete picture of all the students that are working for us in the field at the beginning of the summer. There is certainly nothing in our budget of our operation for the coming summer that is going to change things drastically from last summer.

Mr. Dinsdale: I have one further question, Mr. Chairman. In connection with the fundamental research that goes on before development takes place, the policy statement indi-

[*Interpretation*]

M. Gordon: Vous serez heureux d'apprendre, monsieur, que nous avons fait cela à plusieurs reprises lorsque nous savions que des forages pétroliers, des explorations de minéraux étaient en cours. Lorsqu'ils étaient près de sites historiques, nous avons fait tout ce qu'il fallait pour les prévenir.

Le président: Monsieur Gundlock, est-ce que vous avez une autre question à poser?

M. Gundlock: Je ne voudrais pas faire de l'esprit, monsieur le président, mais en entendant parler de liaison et de coordination étroite entre le service touristique et le service des sites historiques, cela me ramène en arrière. Je ne veux jamais l'oublier d'ailleurs. Cela me rappelle une conversation que j'avais eu avec le sénateur Mansfield des États-Unis, le sénateur du Montana, qui disait: «Pourquoi est-ce que vous ne pavez pas la route de l'Alaska afin de l'échanger contre un couloir entre Whithorse et l'océan?»

En parlant de lieux historiques, je pense que ce serait le plus important au Canada et favoriserait plus le tourisme que tout autre au Canada. Je pense que c'est une chose dont il faudrait tenir compte et indiquer au compte rendu, monsieur le président.

Le président: Merci, monsieur Gundlock. Monsieur Marchand.

M. Marchand (Kamloops-Cariboo): Une question très brève, monsieur le président, en ce qui concerne le recrutement des étudiants cet été. On se préoccupe beaucoup, en ce moment, d'embaucher les étudiants universitaires. L'année dernière a été particulièrement mauvaise pour les emplois d'été des étudiants. Je voudrais savoir le nombre d'étudiants qui seront embauchés par les services des lieux et monuments historiques cette année par rapport à l'année dernière? Est-ce que les perspectives sont meilleures?

M. Nicol: Monsieur le président, je pense que la situation sera exactement la même que l'été dernier. Beaucoup d'étudiants sont embauchés localement par l'entremise des Centres de main-d'œuvre, de sorte qu'on n'a pas une idée complète du nombre d'étudiants qui travaillent pour nous sur les lieux au début de l'été. Certainement, il n'y a rien dans notre budget ni dans notre activité estivale qui changera vraiment la situation par rapport à l'été dernier.

M. Dinsdale: Encore une autre question, monsieur le président. Dans le cadre des recherches fondamentales qui ont lieu actuellement avant d'entreprendre les travaux d'a-

[*Texte*]

cates that this research involves documentary, architectural and archaeological research. There has been a shortgage of professional people in all these categories in Canada. How are you finding these experts in order to carry out the research that is necessary before a historic site is proceeded with?

Mr. Nicol: I think the answer to that, Mr. Chairman, is the shortage continues. As the interest of Canadians and certainly our visitors from the south increases every year, we are competing not only with the provinces but with foundations and other organizations for the necessary research staff. It is not possible for the Branch to recruit sufficient research officers to do all of the research that is required, not only for the Board papers but also for our own operational requirements.

Therefore, where we cannot obtain sufficient researchers on the staff—and this is caused by some people's reluctance to work for the government as well as the availability of the people—we are contracting with departments of universities and university staff themselves in order to supplement the staff that we have on the organization full-time.

Now, in some cases it has been necessary—and it seems it is going to continue for some time—to obtain researchers from the American universities, especially in the field of archaeology, because there are just not enough Canadians available.

Mr. Dinsdale: And the United Kingdom?

Mr. Nicol: And the United Kingdom.

Mr. Dinsdale: Have you access to the archaeological resources of the museums? They have archaeologists on their staffs. Is there any co-ordination between these two branches of governement?

Mr. Nicol: I think the answer there, Mr. Chairman is that the head of our research division works very closely with Dr. Taylor. They have their programs which at times they have difficulty staffing too, but we do not find ourselves bidding for the same people, trying to outbid each other. Mention was made earlier of the close co-ordination; this is one example of it.

Mr. Dinsdale: Do you have access to all the data that they have?

Mr. Nicol: That is right.

[*Interprétation*]

ménagement, la politique établie indique qu'il s'agira de travaux archéologiques, documentaires et architecturaux. On manque en général de cadres dans tous ces services. Je voudrais savoir comment vous pouvez obtenir les experts nécessaires pour faire les recherches qui sont nécessaires sur un site historique?

M. Nicol: Monsieur le président, je pense que pour répondre on peut dire que la pénurie se poursuit au fur et à mesure que l'intérêt des Canadiens et de nos visiteurs du sud augmentent chaque année, non seulement nous rivalisons avec les provinces mais également avec les fondations et d'autres organizations pour obtenir les chercheurs nécessaires. Il n'est pas possible que la Direction puisse recruter tous les chercheurs nécessaires, non seulement pour les études du Conseil, mais également pour nos propres activités.

Par conséquent, lorsque nous ne pouvons pas obtenir suffisamment de chercheurs en permanence, soit parce que certains hésitent à travailler pour l'État ou bien parce qu'il n'y en a pas, nous passons un contrat avec les facultés universitaires et avec les professeurs de l'université eux-mêmes afin de compléter notre personnel.

Dans certain cas, il a été nécessaire, et il semble que ce sera le cas pendant un certain temps, d'obtenir des chercheurs d'universités américaines, notamment en archéologie, parce qu'il n'y a pas suffisamment de Canadiens pour le faire.

M. Dinsdale: Et au Royaume Uni?

M. Nicol: Oui, au Royaume Uni aussi.

M. Dinsdale: Est-ce que vous pouvez disposer des ressources archéologiques des musées? Ils ont des archéologues parmi leur personnel. Est-ce qu'il y a une coordination entre ces deux services d'État?

M. Nicol: Eh bien, je pense que la réponse c'est que le chef de notre service de recherches travaille en étroite collaboration avec le Dr Taylor. Ils ont leurs programmes pour lesquels ils ne trouvent pas suffisamment de personnel, mais nous n'avons pas les mêmes besoins, de sorte qu'on n'entre pas en concurrence. On a parlé déjà précédemment d'étroite collaboration et voilà ce dont je voulais parler.

M. Dinsdale: Autrement dit, vous avez accès aux mêmes données qu'eux?

M. Nicol: C'est exact.

[*Text*]

Mr. Dinsdale: Or you might be able to use them. If you were researching at a certain site would you have access to their services?

Mr. Nicol: Yes, where this is practical, but you must remember that The National Museums of Canada concentrate more on prehistoric archaeology, whereas we are interested mainly in historic archaeology.

Mr. Gordon: I think it is true to say, sir, nevertheless that the availability of researchers is very definitly one of the limitations which we have to take into account in establishing priorities. There has been an increase in the availability of these staffs and we have tapped the U.K. and the U.S. market as well, but nevertheless it is a limitation. They are increasing but the demand for these people similarly is going up.

Mr. Dinsdale: Is there any university in Canada that is preparing people in these fields?

Mr. Bennett: Yes, Mr. Chairman; there are several universities. I cannot tell you exactly how many, but certainly I know that the University of Toronto, the University of Manitoba, the University of Calgary and also, I think, the University of British Columbia have archeological degree courses and I am sure there are others. I cannot tell you, I am afraid, without checking exactly what others there are, but I know of those.

• 1740

Mr. Dinsdale: I suppose if you can get hold of a graduate student in these fields you will hire him for the summer in the hope that he will be persuaded to stay on.

Mr. Bennett: Correct.

The Chairman: Mr. Borrie, do you have a question?

Mr. Borrie: Yes, Mr. Chairman. Does the Historic Sites Service also assist in the acquisition and maintenance of artifacts? Perhaps I could explain this a little further. From mile zero on the Alaska Highway in to the Whitehorse area there is a group that has concerned itself with obtaining artifacts from the old Alaska Highway and from the trails through there. They are very interested in acquiring assistance for the housing of the artifacts as well as their acquisition and maintenance. Is any assistance possible through the Department for this purpose, or does it have to be an historical site before any recognition is given?

[*Interpretation*]

M. Dinsdale: Et vous pourriez même vous en servir. Si vous entreprenez des recherches à un site donné, pourriez-vous bénéficier de leurs services?

M. Nicol: Oui, si c'est pratique. Mais n'oubliez pas que les Musées nationaux du Canada se centrent davantage sur l'archéologie préhistorique, alors que nous nous intéressons surtout à l'archéologie historique.

M. Gordon: Je pense que malgré tout on peut dire, monsieur, que les chercheurs sont en nombre très limité et qu'il faut tenir compte de ce fait lorsqu'on établit les priorités. Il y a une augmentation du nombre de ces spécialistes disponibles et nous nous sommes également tourné vers le Royaume Uni et les États-Unis, mais c'est néanmoins une limitation. Leur nombre croit, mais la demande augmente également.

M. Dinsdale: Est-ce qu'il y a des universités au Canada qui préparent des spécialistes dans ces domaines?

M. Bennett: Oui, monsieur le président, il y a plusieurs universités. Je ne peux pas vous dire exactement combien, mais je sais que l'Université de Toronto, l'Université du Manitoba, l'Université de Calgary et je crois également l'Université de la Colombie-Britannique offrent des cours en archéologie. Et je suis certain qu'il y en a d'autres. Je ne peux pas vous dire exactement; je vérifierai, mais je sais qu'il y en a certainement d'autres.

M. Dinsdale: Je suppose que si vous pouviez vous assurer les services d'un diplômé qui vient de terminer ses études en ces domaines, pour l'été, vous tenteriez par la suite de le persuader de rester, n'est-ce pas?

M. Bennett: Oui.

Le président: M. Borrie, une question?

M. Borrie: Oui, monsieur le président. Est-ce que le service des lieux historiques participe également à l'acquisition et à l'entretien des objets historiques? Si vous voulez, je peux vous expliquer un peu plus. Disons qu'à partir du premier mille de la route de l'Alaska jusqu'à Whitehorse, un groupe se serait chargé d'acquérir un certain nombre d'objets historiques et qu'ils voudraient obtenir de l'aide pour les entreposer, les conserver et les acquérir. Est-ce que vous croyez qu'ils peuvent s'adresser à votre service ou qu'il faudrait qu'il s'agisse d'un lieu historique avant d'être admissible?

[*Texte*]

Mr. Nichol: I think the answer to that, Mr. Chairman, is that there has to be an historic site of national significance involved before our terms of reference permit us to participate.

Mr. Borrie: I see; yes.

Mr. Gordon: It seems, sir, that this might be a little closer to the kind of activity that the National Museum might be able to help with.

Mr. Borrie: Thank you.

Mr. Dinsdale: I have a supplementary, Mr. Chairman. The old Buffalo jump in Alberta was before the Historic Sites and Monuments Board a number of years ago, which is one of the great places where the Indians slaughtered the buffalo; there is also the stock mound in Manitoba where they uncovered all sorts of interesting Indian artifacts—it was an Indian burial ground. Are they not regarded as suitable for classification as historic sites and monuments?

Mr. Bennett: Mr. Chairman, these certainly are, particularly the Buffalo jumps. We have been examining two alternative Buffalo jump sites in Alberta on the recommendation of the Historic Sites and Monuments Board of Canada. At the moment, we are in discussions with the Alberta government so that we can try to develop one or other of the sites. I can assure you that we are extremely interested in the prospects of developing a buffalo jump site, but certain problems relative to underground rights have to be cleared up first.

An hon. Member: How are you going to animate that?

Mr. Bennett: And I do not mean underground Indian rights, either.

Mr. Gundlock: Do you mean mineral rights?

Mr. Gordon: Relative to what Mr. Borrie and Mr. Dinsdale asked, as I understood it on mile zero up to Whitehorse there is a whole series of artifacts over a very broad geographic span.

Mr. Borrie: To be gathered in.

Mr. Gordon: That is right.

Mr. Borrie: To be brought into one central point.

Mr. Gordon: In the case of these buffalo jump sites they are focused right in on a

[*Interprétation*]

M. Nicol: Eh bien, pour répondre à votre question, il faut dire qu'il est nécessaire qu'il s'agisse d'un lieu historique d'importance nationale avant que notre mandat nous permette d'y participer.

M. Borrie: Je vois; oui.

M. Gordon: Il semblerait que ce serait là quelque chose qui relèverait plutôt du Musée National.

M. Borrie: Merci.

M. Dinsdale: Une question complémentaire, si vous le permettez, monsieur le président. Le vieux saut des bisons en Alberta a été soumis au Conseil des lieux et monuments historiques il y a quelques années. C'était un des principaux endroits où les Indiens abattaient les bisons. Il y a également le monticule au Manitoba où l'on a découvert toutes sortes d'objets historiques. Il s'agissait d'un cimetière indien. Est-ce que vous ne croyez pas que des endroits comme ceux-là peuvent être considérés comme des lieux historiques?

M. Bennett: Monsieur le président, ils le sont certainement, notamment le saut des bisons. Nous avons étudié deux autres sauts des bisons en Alberta. Nous sommes en train de discuter de la question avec le gouvernement de l'Alberta afin de chercher à aménager l'un ou l'autre de ces lieux. Nous sommes désireux d'aménager ces lieux, mais il y a malgré tout des questions de droits miniers qu'il faut régler.

Une voix: Comment allez-vous reconstitué cela?

M. Bennett: Je ne veux pas parler de droits indiens au sous-sol.

M. Gundlock: Vous parlez de droits miniers?

M. Gordon: D'après ce que j'ai cru comprendre, au premier mille de la route de l'Alaska, jusqu'à Whitehorse il y a toute une collection d'objets répartis un peu partout.

M. Borrie: Qu'il faut récupérer.

M. Gordon: C'est exact.

M. Borrie: A recueillir dans un endroit.

M. Gordon: Dans le cas des sauts des bisons, il s'agit d'un endroit géographique

[*Text*]

specific area which is of primary importance in a national sense; and the others can be related to this.

Mr. Borrie: There is no possibility that the National Historic Sites and Monuments Board of Canada has ever made such a concession previously, is there? If the precedent has been set I would like to pursue it.

The Chairman: Gentlemen, do you have an answer to Mr. Borrie's question?

Mr. Nicol: The answer, Mr. Chairman, is that no such precedent has been set. Where a site is of national significance we will participate in the acquisition and restoration of it, and it is then operated under agreement with the Department for a period of usually 35 years or more; but there is no contribution to the operation and maintenance of that site. The contribution is 50 per cent of the acquisition and restoration costs, and where a museum is involved, or a collection of artifacts to form a museum, this is outside the terms of reference of the Department.

• 1745

Mr. Borrie: Thank you, Mr. Chairman.

The Chairman: I have one question, which I propose to direct to Mr. Nicol. I have been interested in the site of the Battle of Chateauguay, situated between Howick and Ormstown in Chateauguay County. Under what item in Vote 35 of the Estimates would funds for acquisition of additional land appear? Would it be at the bottom of page 175:

> Payments to individuals or groups in accordance with agreements...

Mr. Nicol: No; the site of the Battle of Chateauguay, Mr. Chairman, has already been declared a national historic site. The proposal here is to expand the site. Therefore, the acquisition will come under Vote 40.

The Chairman: It would come under National Parks, then?

Mr. Nicol: No; in Vote 40 there is provision for acquisition of land.

The Chairman: Of land for national historic sites?

Mr. Nicol: That is right.

Mr. Gordon: I might be able to clarify this. In the case of the operation and maintenance vote the Historic Sites portion is broken out as shown on pages 175 and 176. It is all part

[*Interpretation*]

précis, qui sont d'une haute importance pour le pays; les autres sont connexes.

M. Borrie: Il est impossible que la Commission nationale des lieux et monuments historiques ait déjà par le passé accordé des concessions de ce genre, n'est-ce pas? Si un tel précédent a déjà été créé, j'aimerais le répéter.

Le président: Messieurs, avez-vous une réponse à donner à M. Borrie?

M. Nicol: Je pense que la réponse que je peux donner à M. Borrie, c'est qu'il n'existe pas de précédents. Lorsqu'un lieu présente une importance historique, nous contribuons à son acquisition et à sa remise en état, et ensuite il est exploité en vertu d'un accord s'étendant en général, sur trente-cinq ans ou plus. Mais aucune contribution n'est apportée à l'entretien du lieu. Cette contribution représente 50 p. 100 des frais d'acquisition et de restauration. Lorsqu'il s'agit d'un musée ou d'une collection d'objets, il s'agit de quelque chose qui ne relève pas de notre compétence.

M. Borrie: Merci, monsieur le président.

Le président: J'avais une question à poser à M. Nicol. Comme vous le savez, je suis intéressé au site de la bataille de Chateauguay entre Hawick et Ormstown dans le comté de Chateauguay. Alors je voulais savoir en vertu de quel poste du crédit 35 des prévisions budgétaires, trouve-t-on les crédits prévus pour l'acquisition de nouvelles terres? Est-ce que ce serait au bas de la page 175?

> Paiements à des particuliers ou à des groupes conformément aux ententes.

M. Nicol: Non, le lieu de la bataille de Chateauguay, monsieur le président, a déjà été déclaré lieu historique. Ce que nous proposons ici, c'est de l'agrandir. L'achat paraît donc au crédit 40.

Le président: Cela relève des parcs nationaux?

M. Nicol: Non. Au crédit 40, on prévoit l'achat de terres.

Le président: Pour des lieux historiques nationaux?

M. Nicol: C'est exact.

M. Gordon: Je pourrais préciser que, pour l'administration de l'entretien nous avons une ventilation des postes destinés aux lieux historiques à la page 175 et 176. Tout cela

[*Texte*]

of the Conservation Program, however, and is combined in the case of the capital vote. Such a question could be discussed when we look at the capital vote.

The Chairman: We will have to stand Vote 35 because it contains some items which we have not discussed today. We will not come back, however, to the subject of historic sites.

The other vote we were to consider today was Vote 45, National Battlefields Commission. Have you any special statement on that, Mr. Gordon?

Mr. Gordon: No, sir; but we will be happy to answer any questions the Committee has.

The Chairman: Are there any questions gentlemen, on Vote 45, National Battlefields Commission:

> To authorize payments to the National Battlefields Commission for the purposes and subject to the provisions of an Act respecting the National Battlefields at Quebec . .

I understand this deals only with battlefields in Quebec city?

Mr. Gordon: That is right, sir.

Mr. Dinsdale: Is it not possible to integrate the work of the National Battlefields Commission with that of the National Historic Sites and Monuments Board of Canada? It seems to me that there is an overlapping of services here; and inasmuch as the Historic Sites and Monuments Board of Canada deals with battlefields at Stoney Creek, and Batoche and other places in Canada, why is it not possible for it to have over-all responsibility for this particular phase of historic commemoration?

Mr. Gordon: Mr. Chairman, I should mention that we have had discussions with the Commissioner of the National Battlefields Commission, Mr. R. St. Laurent, relative to the functioning of the Commission and what changes might be necessary to better suit modern conditions. I cannot forecast what might arise from this, but some changes may be necessary.

Mr. Dinsdale: I can suggest a change, Mr. Chairman. We might retire the National Battlefields Commission and declare them an historic institution!

[*Interprétation*]

fait partie du programme de conservation toutefois, et paraissent ensemble au crédit des capitaux. Cette question serait à discuter lorsque nous en serons au crédit des capitaux.

Le président: Nous devons réserver le crédit 35 parce qu'il comprend certains postes que nous n'avons pas étudié aujourd'hui. Nous ne reviendrons pas toutefois à la question des lieux historiques.

L'autre crédit que nous devions étudier aujourd'hui est le crédit 45, soit la Commission des champs de bataille nationaux. Auriez-vous une déclaration à faire à cet égard, M. Gordon?

M. Gordon: Non, mais nous nous ferons un plaisir de répondre à vos questions.

Le président: Auriez-vous des questions à poser au sujet du crédit 45, la Commission des champs de bataille nationaux:

> autorisation de faire des paiements à la Commission des champs de bataille nationaux aux fins et sous réserve des dispositions d'une loi concernant les champs de bataille nationaux de Québec. . .

Est-ce que cela s'applique seulement aux champs de bataille de la ville de Québec?

M. Gundlock: C'est exact.

M. Dinsdale: Serait-il possible d'intégrer le travail de la Commission des champs de bataille nationaux au travail de la Direction des lieux et monuments historiques? Il semble y avoir un chevauchement de service ici et puisque la Direction des lieux et monuments historiques s'occupe du champ de bataille de Stonev Cruk, de Batoche et d'autres endroits au Canada, pourquoi ne serait-il pas possible de lui donner la responsabilité de l'ensemble des commémorations historiques à cet égard ?

M. Gordon: Nous avons eu des entretiens avec le Commissaire, de la Commission des champs de bataille nationaux, M. R. St. Laurent pour ce qui est de l'administration de cette commission et des modifications qu'il faudrait apporter, afin d'être mieux adapté aux conditions actuelles. Je ne peux prévoir ce qui pourra en découler, mais nous pourrions y apporter certaines modifications.

M. Dinsdale: Je pourrais proposer une modification, monsieur le président. On pourrait mettre la Commission des champs de bataille nationaux à la retraite et la déclarer une institution historique!

[*Text*]

They have been in service since 1908. I notice the expenditure is $335,000, and it has been going up every year. The substantial part of that expenditure is in salaries and wages, and I suspect that a good deal of that goes on wages for the Commission rather than for the maintenance of the battlefields.

The Chairman: What percentage relates to wages?

Mr. Dinsdale: It is $229,000 as compared with $100,000.

Mr. Gordon: I am told that two-thirds of this amount is devoted to staff salaries. These are the salaries of those who maintain the grounds and not of the Commissioners.

The Chairman: And one-third to the Commissioners is this right?

Mr. Gordon: No, no.

The Chairman: Let us get this on the record.

Mr. P. B. Lesaux (Chief, Operations Division, National Historic Sites Service, National and Historic Parks Branch): Of the total budget of the National Battlefields Commission, two-thirds relates to salaries and wages. The remaining one-third goes towards the purchase of materials, supplies and other equipment necessary for the upkeep. The Board is an honorary board, not in receipt of any salary or wage.

Mr. Dinsdale: I think we should declare it an historic site.

The Chairman: Mr. Borrie, you had a question. I believe.

Mr. Borrie: No; mine was along the same line.

The Chairman: This will end our consideration of Vote 45, but we will stand it until we consider Vote 40, National Parks.

Mr. Simpson: Mr. Chairman, would the Committee agree that these discussions with the National Battlefields Commission should continue to see if some changes could be made?

The Chairman: May I have a motion to adjourn the meeting until tomorrow, March 11?

Mr. Borrie: I so move.

The Chairman: Tomorrow we will be discussing handicrafts.

Meeting adjourned.

[*Interpretation*]

Elle fonctionne depuis 1908 déjà, et je vois que les dépenses de $335,000 augmentent chaque année. Les salaires et traitements représentent une bonne partie des dépenses. Je crois qu'une bonne partie des salaires est versée à la Commission plutôt qu'à assurer l'entretien des champs de bataille.

Le président: Quel est le pourcentage qui est versé en salaires?

M. Dinsdale: $229,000 par rapport à $100,000.

M. Gordon: On me dit que les deux tiers sont consacrés au salaire de personnes préposées à l'entretien des champs de bataille et non pas aux commissaires.

Le président: Et un tiers aux commissaires?

M. Gordon: Non, non.

Le président: Pourrions-nous peut-être consigner cela au compte rendu?

M. P. B. Lesaux (Chef de la Division de l'exploitation, Service des lieux historiques nationaux, Direction des Parcs nationaux et des lieux historiques): Du budget total de la Commission des champs de bataille nationaux, le deux tiers est affecté aux salaires et traitements. L'autre tiers sert à l'achat des approvisionnements, du matériel et de l'équipement requis pour l'entretien. Cette Commission est une commission honoraire qui ne comporte pas d'émoluments.

M. Dinsdale: Je crois qu'il faut en faire un lieu historique.

Le président: M. Borrie, je crois que vous aviez une question.

M. Borrie: Non, c'était une question du même genre.

Le président: Cela met donc fin à notre étude du crédit 45, et nous allons le réserver jusqu'à ce que nous ayons terminé l'étude du crédit 40 relatif aux parcs nationaux.

M. Simpson: Monsieur le président, si le Comité est d'accord, je crois que nous devrions discuter davantage avec la Commission pour voir s'il n'y aurait pas moyen d'améliorer les choses.

Le président: Quelqu'un voudrait-il présenter une motion pour qu'on lève la séance jusqu'à demain le 11 mars?

M. Borrie: Je présente une motion en ce sens.

Le président: Nous parlerons de l'artisanat demain.

La séance est levée.

[*Texte*]

Tuesday, March 11, 1969

• 1113

The Chairman: Gentlemen, I see a quorum. I would like to announce that a subcommittee meeting will be held immediately following this meeting.

As you are aware, gentlemen, by special order of the Committee on Monday, March 10, Handicrafts is the subject before the Committee today and to deal with this problem I call Item 1 of the 1969-70 Estimates for the Department of Indian Affairs and Northern Development.

Having done that, I have the pleasure of introducing to you Mr. Art Solomon who is at present a resident of Garson, Ontario near Sudbury.

He is originally from Killarney, Ontario. He is on contract with the Department of Indian Affairs and is an expert on the subject of Indian crafts. He has been involved in Indian crafts all his life and has a number of fairly strong opinions on the subject, and in the opinion of your steering committee it would be advantageous to the Committee to have Mr. Solomon's evidence.

• 1115

We are very happy to have you with us today, Mr. Solomon. Will you proceed with your brief?

Mr. Art Solomon (Handicraft Development Officer, Northern Ontario, Department of Indian Affairs and Northern Development): Thank you very much, Mr. Chairman.

It is a privilege to have this kind of opportunity. It is quite a way from here to the bush where I started. If possible, Mr. Chairman, I would like to pass around some of the things I have brought with me for Committee members to look at.

While that is going on I suppose I had better make this presentation. I have to apologize for the kind of think I have written in the sense that it was done in a tremendous hurry without anything to work with. I landed in Ottawa the other day with an empty head and an empty pocket, so this is the best I was able to do. I finished writing this last night and got it typed this morning and brought it over here, so here it is.

Without going into any great amount of detail I have these things to say: From the time that man first existed on this earth, he has needed to make things for his own use. As they became more decorative, they

[*Interprétation*]

Le mardi 11 mars 1969

Le président: Messieurs, nous sommes en nombre. Une réunion du sous-comité aura lieu immédiatement après la séance du Comité.

Comme vous le savez, messieurs, par ordre spécial du Comité, lundi le 10 mars, nous parlerons aujourd'hui de l'artisanat. Et pour commencer, je voudrais donc mettre en délibération le poste nº 1 des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien. J'ai maintenant le plaisir de vous présenter M. Art Solomon qui habite actuellement Garson (Ontario), près de Sudbury.

Il est originaire de Killarney (Ontario). Il travaille sous contrat pour le ministère des Affaires indiennes et se spécialise dans l'art indien dont il s'occupe depuis toujours. Il a des opinions très arrêtées sur cette question. Et, de l'avis de votre comité de direction, la présence de M. Solomon parmi nous sera des plus avantageuse pour le comité. Heureux de vous avoir avec nous ce matin. Voulez-vous commencer votre exposé?

M. Art Solomon (officier, Handicraft Development Northern Ontario): Merci, monsieur le président. C'est un grand honneur pour moi d'avoir l'occasion de me présenter devant vous. J'en ai fait du chemin depuis mes débuts. Si vous le permettez, monsieur le président, j'aimerais faire circuler un certain nombre d'objets que j'ai apportés pour montrer aux membres du Comité.

Pendant que nous faisons circuler ces objets, je pense que je ferais mieux de donner lecture de mon exposé. Je dois m'excuser de la façon dont cet exposé a été rédigé; je l'ai préparé en toute hâte sans disposer du matériel nécessaire. Je suis arrivé à Ottawa l'autre jour, les poches vides et la tête vide...: donc ne vous attendez pas à un chef-d'œuvre. J'ai fini de rédiger ceci la nuit dernière et je l'ai fait dactylographier ce matin. Donc nous y voilà.

Sans trop entrer dans les détails, voici ce que j'ai à dire.

Depuis sa création, l'homme devait fabriquer les objets dont il avait besoin. Plus il les

[*Text*]

required more skill to make and they became more closely involved in the spiritual and aesthetic needs of man. They went on through great mutations and transformations from there.

For a craftsman to make something with his hands, something of beauty and value, is the essence of being somebody, on which the mantle of self respect rests comfortably and securely without the need to *compete* with anyone.

There are so many intangible realities in handcraftsmanship that it is all but impossible to articulate; just like trying to articulate the mysteries of life. Craftsmanship is of humanity. For the craftsmen who are yet unspoiled by what so many choose to call this North American civilization, craftsmanship is a source of joy because it is human expression in visible form.

Craftsmanship is the most primitive, the most modern and the most excellent means of self expression available to men, for those who make and for those who enjoy.

Crafts development is only a small but very significant part of *total human development*. It was a very essential part of the development of every other nation in the world, and instead of diminishing now in this age of modern technology, it is a need that is expanding and being met in such a way that in a few short years it will become one of the vital life factors of our times, unless we succeed very well in destroying ourselves first.

Over the years I have listened to those who have said "These good Indian Arts are disappearing and that is so tragic". During those same years, especially the past five years, I have also watched the people in the market place wring their hands and say, "Where can we get good, dependable supplies of Indian crafts? We can sell hundreds of dollars worth".

The craftsmen in the bush say, "Where can we sell? We have the need and we have the capabilities", and they add "without being exploited to death". That is where most of the Indian craft development has been for so long—at the door of death. What is needed is

• 1120

an organization, a pool if you like, into which the craftwork can flow at its own free rate and from which the shopkeepers can draw as their needs dictate from what is available.

[*Interpretation*]

voulait décoratifs, plus il devait faire appel à son habileté et à son imagination. Ces objets devenaient plus étroitement liés à tout ce qu'il voulait de beau, de spirituel. Dès lors, ils ont connu d'énormes changements et transformations.

Un artisan ne ressent son importance, ne jouit confortablement du respect de soi sans rechercher le besoin de disputer son talent avec qui que ce soit, que lorsqu'il a créé, façonné de ses propres mains quelque chose de beau, de précieux, de sublime.

Les réalités intangibles de l'artisanat sont tellement nombreuses qu'il est impossible de les distinguer; comme si vous essayiez de découvrir les mystères de la vie. L'artisanat c'est l'expression des sentiments humains. Pour les artisans qui n'ont pas encore été influencés par ce qu'on appelle «civilisation nord-américaine», l'artisanat est une source de joie, de bonheur car il constitue l'expression humaine sous une forme palpable.

L'artisanat est à la fois le plus ancien, le plus moderne et le plus excellent des modes d'expression dont dispose l'homme, pour ceux qui créent et pour ceux qui admirent et qui jouissent.

La mise en valeur de l'art n'est qu'une petite partie mais bien significative du développement complet de l'homme. C'est une des parties extrêmement importantes de toutes les autres nations du monde, et loin d'accuser un recul en cette ère de technologie moderne, ce développement constitue un besoin qui s'étend et qui est accueilli avec tant d'ardeur que dans quelques années il constituera un des plus important facteurs de vie contemporaine, à moins que nous arrivions à nous détruire en premier lieu.

Depuis des années, j'ai écouté ceux qui disaient «Ces fameux arts indiens sont en voie de disparition et comme c'est tragique». Durant ces mêmes années, surtout les cinq dernières, j'ai aussi observé ceux qui sur la place du marché, se tordaient les mains de désespoir et disaient: «Où pouvons-nous trouver de bons objets d'art indien» nous pouvons en vendre par centaines de dollars.

L'artisan de la brousse dit: «Où pouvons-nous vendre? Nous avons le besoin et les capacités». Puis ils ajoutent: «Sans être saignés à blanc»; voilà où en était, depuis bien longtemps, le développement de l'art indien. «Au seuil de la mort». Ce que nous avons le plus besoin c'est une organisation, un pool, si vous voulez, auquel nous acheminerions les objets d'art à un taux libre et duquel pool les boutiquiers pourraient s'alimenter au fur et à mesure de leurs besoins.

[*Texte*]

If there is to be a real craft development it must be freed from the cold, clammy hands of government. This is the business of the people in the country and it must be returned to them. It is not the business of government to do for people what they can best do for themselves. People must be involved in their own affairs; they must have the opportunity to deal effectively with their fellow humans. The present course is economic slavery and human stagnation, and stagnation leads only to rot. In that sense every one of us is diminished and every one of us its a loser.

What I have advocated for so long is an investment in people. We invest in all manner of natural resources often widly. If we can only think in terms of a return on our investment, are we too timid or too short sighted to see that a realistic development on proper terms in the capabilities of our craftsmen and the needs of the market is a good one? I sort of drew that one out and dragged it on. However, I think you will know what I meant.

I have long said that the market for good Indian crafts is absolutely unlimited. We must not think of Indian crafts as being only beaded moccasins and mukluks and snowshoes and such tings. We must think in terms of their ability to make an absolutely unlimited variety of beautiful and useful things to suit the needs of every-day shoppers, as well as the most sophisticated and demanding ones. Art is essentially a living thing; it is an essential need; when it stagnates we stagnate; if it dies, we will quickly follow. A craft development scheme must have two points of reference. It must meet the needs of the craftsmen on *their terms* and It must meet the needs of the market on *its terms*.

There are no similarities between craft production and factory production, expect that they both require working materials and both produce finished goods. One reason that so many craft programs have failed is because of the impossibly stupid assumptions of some people that they are one and the same, and when they look at a failure it is equally impossible for them to understand the nature of the destruction they have wrought. There can be no sentiment involved in building a craft development. It must be done in practical, everyday terms and in terms of the realities of the craftsmen and the market place.

[*Interprétation*]

Si nous voulons vraiment mettre en valeur l'artisanat, nous devons le libérer de la mainmise du gouvernement.

L'artisanat appartient au peuple; il faut donc le lui restituer. L'état n'a pas à nous dire comment gérer nos propres affaires. Les gens doivent prendre une part plus active dans leurs propres affaires, on doit les encourager à traiter plus efficacement avec leurs problèmes. Le cours actuel des choses nous ramène vers l'esclavage économique et la stagnation humaine, et la stagnation, à son tour, mène à la pourriture, en ce sens que chacun de nous est amoindri et par conséquent nous serons tous perdants.

Ce que j'ai toujours préconisé c'est de faire confiance aux gens. Bien souvent, nous dépensons sans compter pour valoriser nos ressources naturelles. Si seulement nous pouvions penser et agir en fonction du résultat de nos investissements; sommes-nous trop timides ou trop bornés pour nous apercevoir qu'une politique de mise en valeur réaliste fondée sur des conditions raisonnables et tenant compte des aptitudes de nos artisans et des besoins du marché. Je crois que vous comprenez ce que je veux dire.

J'ai longtemps prétendu que le marché pour l'artisanat indien était absolument sans limite. Ils font autre chose que des mocassins ornés de perles, des mukluks, des raquettes à neige etc. Nous devons nous dire qu'ils peuvent faire un nombre extraordinaire de choses belles et utiles propres à satisfaire tout le monde, même les clients les plus exigeants. L'art est essentiellement vivant, c'est un besoin essentiel, lorsqu'il est en marasme, nous aussi, si l'art meurt, nous mourrons aussi. Un programme de développement des arts doit donc satisfaire à deux besoins. (1) Il faut satisfaire l'artisan. (2) Il faut aussi satisfaire le marché. Dans les deux cas il faut satisfaire et l'artisan et le marché à leur propre condition.

Les produits d'usine et les produits artisanaux n'ont rien en commun, sinon, qu'on travaille sur une matière brute pour en faire un produit fini. Une des raisons pour lesquelles tant de programmes d'artisanat échouent, c'est parce que certaines gens supposent stupidement qu'elles sont toutes identiques et lorsqu'il y a un échec, elles ne peuvent en comprendre la nature.

Il ne faut pas laisser ici libre jeu aux sentiments, il faut aborder toutes ces questions d'artisanat d'un point de vue absolument pratique en tenant compte des réalités des artisans et des besoins du marché.

[*Text*]

About a year ago today, I began a test program at Kasabonika and Webequie in the belief that the craftsmen there wanted an opportunity to better themselves. I carried the test through three phases which consisted of three trips into the communities. I then recommended a development program based on their request to continue.

I re-started the work in October after a lapse of three months. I spent a total of about 50 days in the two communities. I conducted what I called development workshops, *based on native materials,* for about *12 to 15 of those days* and out of that has come what I believe is a fantastic development of numerous new ideas and new products, and we have barely scratched the surface of the capabilities of the people and the new things that can be made.

For an independent reference concerning this development and the needs of the people I refer you to Mr. Vic Vokes of the Indian Affairs Branch here in Ottawa who had a first-hand look at those communities just three weeks ago. He may also still have a fair-sized display of some of the work. If it were not for the support of Vic Vokes during this past year, I could not have done any of this.

I have a whole litany of impossibilities that were imposed on me by various people in the Indian Affairs Branch, particularly the craft center. They were imposed, no doubt, with good logical reasons. Their effect would have been absolutely stultifying if I had not dammed them into the limbo where they belong and carried the work on to the success that it is ready to blossom into now.

In terms of dollars and cents, on my first buying trip to Kasabonika in March I left about $1,200 in the community in three days of buying. On the second trip, I left about $800 and on the third trip about $600 and this in spite of the fact that I was obliged by the crafts centre to buy less and less of the work that they were skilled at, such as moccasins, and so on, and to ask for things they had never done before or done very little of, or for which they had no materials available.

• 1125

It was in April that I sat with the people of Kasabonika and we estimated that under their present circumstances, without changing anything, they could earn at least $2,000 a month and they desperately wanted the opportunity. It was in April that I bought the first piece of diamond willow abstract from one of the trappers. Other people began carving the abstracts. There are at least 20 women carvers now at Kasabonika. A good

[*Interpretation*]

Il y a environ un an aujourd'hui j'ai lancé un projet pilote à Kasabonika et Webequie. Je croyais que les artisans là-bas voulaient s'améliorer eux-mêmes, Mon projet pilote comprenait trois stades, c'est-à-dire trois voyages dans ces localités. J'ai donc recommandé la mise sur pied d'un programme de développement car on m'avait demandé de poursuivre mon expérience.

J'ai recommencé mon travail en octobre après un arrêt de trois mois. J'ai passé environ 50 jours dans ces deux localités. J'ai dirigé ce que j'appellerais des ateliers de perfectionnement où on a travaillé des matières premières d'origine locale durant 12 à 15 jours; il en est sorti un nombre incalculable de nouvelles idées et de nouveaux produits et ce n'était pourtant qu'un tout petit commencement.

Vous pourrez consulter à ce sujet M. Vic Vokes, Division des Affaires indiennes ici à Ottawa, qui a pu voir ces localités, il y a trois semaines à peine. Il est très possible d'ailleurs qu'il puisse vous présenter des échantillons assez importants de ce travail. Sans l'appui de M. Vic Vokes, depuis un an, je n'aurais rien pu faire.

Diverses personnes de la Divisions des Affaires indiennes, et surtout du Centre d'artisanat, m'ont communiqué toute une série d'impossibilités. Il y avait sans doute à cela de bonnes raisons logiques, mais cela aurait complètement arrêté mon travail si je ne m'étais pas moqué complètement de ces objections, et poursuivi mon travail de façon à connaître la réussite qui l'attend.

Mais de mon premier voyage à Kasabonika au mois de mars, j'y ai laissé environ $1,200. en trois jours d'achat. La deuxième fois, j'y ai laissé environ $850. Le centre d'artisanat m'a obligé à acheter de moins en moins d'objets pour lesquels ils étaient qualifiés, des mocassins par exemple, et a demandé des articles pour lesquels ils n'avaient pas les matières premières qu'il fallait, ou qu'ils n'avaient jamais faits.

Au mois d'avril, je me suis entretenu avec la population de Kasabonika et nous avons estimé que, vu les circonstances actuelles, et sans rien changer, il leur serait possible de gagner $2,000. par mois. La population ne demande que la chance de le faire. Au mois d'avril, j'ai acheté d'un trappeur le premier morceau d'une esquisse de saule-diamant (c'est de la moelle d'un arbre qui sert à faire des sculptures). Il y a également une vingtaine

[*Texte*]

deal of the work was rejected at first by me; many pieces had to be worked on time and again before they were acceptable and in desperation to help the people make acceptable work new and better things evolved. For instance, in order to hide unacceptable bases on which a good carving was fastened, I had them covered with buckskin, which was an instant success in the market. That is just one item.

The willow abstracts so far produced have created a demand which the craftsmen can not meet because they have the crudest tools I have ever seen and there is no production in earnest, for the simple reason that we never know from one day to the next whether we can go ahead or not. In other words, we can not plan one logical step after the other because the power to say we will do this or that does not rest in our hands.

In one instance a boy of 17 years carved the most beautiful abstract that has ever come from the bush, the best of any work I have ever seen. It was his first carving without anyone to teach him. It was said three weeks ago that these abstracts are the equal of Henry Moore's and much more acceptable. One trapper in January quit trapping and turned to carving because he says he can make a better living at it.

One of the remarkable things that has happened is the tremendous improvement in the quality of traditional leather goods now produced, simply by restoring to the craftworkers their good design which they had abandoned for religious symbols and designs to suit the whims of teachers and tourists. All they needed was good factual information and advice.

That is all I have to say.

The Chairman: Do you wish us to ask questions now Mr. Solomon, or would you prefer to make a few additional comments?

Mr. Solomon: No, I would be happy to answer any questions.

The Chairman: Mr. Deakon?

Mr. Deakon: Mr. Chairman, Mr. Solomon was speaking about the various crafts that are being made by the Indians in their communities. What is the population of this particular community of Kasabonika?

Mr. Solomon: About 300 people.

[*Interprétation*]

de femmes sculpteurs à Kasabonika. J'ai rejeté pour commencer une bonne partie de ces œuvres, il a fallu les reprendre plusieurs fois de façon à ce qu'elles deviennent satisfaisantes.

Dans un cas, afin de dissimuler la base inacceptable d'une bonne sculpture, je l'ai fait recouvrir de cuir, ce qui a connu un succès instantané. Cela n'est qu'un exemple.

Dans un cas, un garçon de 17 ans autodidacte, a sculpté la plus belle œuvre abstraite qui ne soit jamais sortie de la forêt, la plus belle œuvre que j'aie jamais vue.

Les sculptures de saule ont créé une demande que ne peut satisfaire l'artisan dont les outils sont primitifs et qui n'est pas enclin à produire en l'incertitude des marchés. Nous ne pouvons pas prévoir d'une étape à l'autre car nous ne savons pas ce qui va arriver. C'était sa première œuvre et pourtant ce garçon était un véritable autodidacte. On disait, il y a trois semaines, que ses sculptures sont égales en qualité à celles d'Henry Moose et sont beaucoup plus acceptables. Un trappeur au mois de janvier a abandonné la chasse et est devenu sculpteur car il peut mieux gagner sa vie, paraît-il, de cette façon.

Une des choses les plus remarquables, c'est l'amélioration extraordinaire et récente de la qualité des produits de cuir. Depuis les artisans sont revenus aux dessins primitifs qu'ils avaient abandonnés autrefois en faveur de symboles religieux et autres pour satisfaire professeurs et étudiants. Ils n'avaient besoin que de renseignements et de conseils. C'est tout.

Le président: Voulez-vous que nous posions des questions, avez-vous des remarques supplémentaires à faire?

M. Solomon: Non, non, pas du tout. Je répondrai aux questions.

Le président: Monsieur Deakon.

M. Deakon: Monsieur le président, M. Solomon parlait de ces divers objets fabriqués par les indiens dans les diverses localités. Quelle est la population de Kasabonika?

M. Solomon: Environ 300 personnes.

[*Text*]

Mr. Deakon: How many men and how many women?

Mr. Solomon: I do not know; I suppose they are half and half. Honestly I do not know, because I never bothered to count.

Mr. Deakon: There are children there too, are there not?

Mr. Solomon: Yes, there are children, but altogether there is a total of about 285 people, including men, women and children. That is my understanding.

Mr. Deakon: I see. Now are these crafts that they make sold by the Indians directly to the people who visit these areas?

Mr. Solomon: Well, the odd time—Kasabonika is one of those dead-end places—when people get there they buy. For instance, there was a crew there last October 11 to make a program for This Hour has Seven Days, and some of the people from the crew bought a few things. Once in a while a person goes in there. Sometimes they buy and sometimes they do not, but in this case I am using government money to buy and for that reason I have to ship to the craft centre.

Now, there was the test program that I outlined, three trips into the area, and this test program was for the purpose of proving what the capabilities were, what the possibilities were and also to prove whether I was right or wrong in my assumptions. In the beginning I was not an experienced buyer and so I shoved the thing right to the limit in favour of the craftsman, but I still exercised as much care as I could to try to buy what was reasonable or what seemed to be reasonable, but I had no guidelines to go by.

The second time around I had a letter from the craft centre saying: "I do not want this, I do not want that and I do not want the other thing" which left me almost nothing to buy. At one point I had to make the decision: Am I going to go into the bush and make a report to these people of these realities, or am I going to go home and cancel the whole program? There is no point in spending government money to travel into the area and then not buy anything. There is no point in going to a craftsman unless I can deal with him realistically. That is the way the game has been going.

• 1130

Mr. Deakon: Mr. Solomon, who sets the price that you pay the craftsman for these articles?

[*Interpretation*]

M. Deakon: Combien d'hommes et combien de femmes?

M. Solomon: Je ne sais pas, à peu près moitié moitié? Je ne les ai jamais comptés.

M. Deakon: Il y a des enfants aussi?

M. Solomon: Il y a environ 285 personnes en tout et pour tout, hommes, femmes et enfants, du moins c'est ce que je crois comprendre.

M. Deakon: Est-ce que ces objets qui sont fabriqués là-bas sont vendus directement par les Indiens aux gens qui visitent ces régions?

M. Solomon: Kasabonika est un endroit très isolé. Il arrive assez rarement qu'on y reçoive des étrangers. Ceux-ci achètent volontiers lorsqu'ils s'y trouvent. Le 11 octobre on y a préparé un programme pour l'émission *This Hour Has Seven Days*. De temps en temps, il arrive là-bas des étrangers. Parfois ils achètent, parfois pas, mais dans ces cas j'utilise l'argent du gouvernement pour acheter des articles que j'envoie au centre d'artisanat.

Le projet pilote a donc été lancé par moi comme on l'expliquait. Je suis donc retourné trois fois dans cette région pour évaluer les possibilités qui y existaient. Il s'agissait de prouver si j'avais tort ou raison dans mes hypothèses. Au début, je n'étais pas un acheteur expérimenté et j'ai donc favorisé l'artisan tant que j'ai pu. Néanmoins je me suis montré aussi soigneux que possible pour faire des achats qui m'ont paru originaux et raisonnables. Seulement je n'avais pas de principes pour me guider.

La deuxième fois, j'ai reçu une lettre du centre d'artisanat, me disant: «Nous ne voulons pas ceci, nous ne voulons pas cela, nous ne voulons rien qui ressemble à ceci ou à cela» Je n'avais donc presque plus rien à acheter. Je me suis donc demandé si je devais retourner dans la forêt pour dire à mes indiens qu'il n'y avait plus de possibilité pour eux dans ce sens, ou retourner chez moi et tout annuler. Il n'y a aucune espèce de raison pour nous d'aller dans ces régions, sans acheter. Il n'y a aucune raison d'aller chez un artisan si l'on ne peut traiter avec lui. Voilà comment s'est joué le jeu.

M. Deakon: Qui fixe le prix de ces articles?

[*Texte*]

Mr. Solomon: Actually, the prices were very hard to set. I did not have any guidelines in the beginning, except a sort of catalogue which was produced by the craft centre and which I got by accident. I went by those prices and I adjusted them as I went along. Everyone told me I was going to get into a hell of a jackpot because if you pay $5 for a pair of moccasins this time you are going to have to pay $5 the next time, and I just damn well proved that this was not so.

I had to deal with the people in sensible, realistic terms. If I thought a pair of moccasins was only worth $4 that is what I offered. The person could then say: "No, I do not want to sell them to you."

Mr. Deakon: One of the reasons I asked that Mr. Solomon is because on our last trip to the Yukon and the Northwest Territories, we had opportunities of visiting with the Indians and I have also seen the same commodities sold on these Indian settlements, in the cities in the Yukon and also in Calgary, Alberta. The range in price differential was fantastic. What I really want to know is what financial benefit the Indian derives from the commodity he produces?

I will give you an example of the mark-up in prices. I was specifically interested in moccasins because I wanted to buy them for my family. In one of the Indian Settlements at Fort Rae they were around $9, $10 or $11; when we got into Yellowknife they were $19, $20 and $21; in Dawson City they were $29 and $30; and when we got into Calgary they were $45 at the Hudson's Bay Company.

Is somebody along the line taking the "gravy" from what the Indian should obtain for his work? This is the point I would like to make.

Mr. Solomon: This is the kind of jackpot we have all across Canada. It is to prevent this kind of thing, or to bring some sense and order into it that I advocate a different way of doing things, at least to give some of the craftsmen an opportunity. The moccasins that I would pay $5 for are normally supposed to sell on the market for $10.

Mr. Deakon: Do they, to your knowledge? Have you checked whether they do, or do not?

Mr. Solomon: I have bought mukluks that I had to ship, or had to work with through the craftsman, to bypass the impossible situation that I found at the Craft centre. As I said, there are no doubt good, logical reasons for her not wanting mukluks and moccasins, and that I do not argue with. As I could not

[*Interprétation*]

M. Solomon: Il est extrêmement difficile de fixer des prix. Au début, je n'avais rien pour me guider. Une espèce de catalogue a été produit par le centre d'artisanat et je me le suis procuré par hasard. Je me suis fondé sur ces prix-là. J'ai modifié au fur et à mesure les prix, tout le monde m'a dit: «Ceci va vous faire beaucoup de tort», car si vous payez $5. une paire de mocassins cette fois-ci, vous allez être obligé de payer $5. la prochaine fois, mais la pratique m'a montré que ce n'était pas exact. J'ai dû traiter directement avec les gens d'une façon absolument rationnelle et pratique. Si les mocassins me semblaient valoir $4, c'est ce que j'offrais. L'artisan pouvait alors refuser de me les vendre.

M. Deakon: Une des raisons pour lesquelles j'ai posé la question c'est que lors de notre dernier voyage dans les Territoires du Nord-Ouest, nous avons eu l'occasion de voir les Indiens et nous avons vu ces choses qui étaient vendues dans les réserves indiennes, dans les villes du Yukon et à Calgary en Alberta. Les écarts de prix étaient extraordinaires. Ce que je voudrais surtout savoir, c'est quels sont les avantages financiers retirés par les Indiens et quelle partie du prix de vente touchent les Indiens.

Par exemple, je voulais acheter des mocassins pour ma famille. Dans un des établissements indiens à Fort Rae, ils coûtaient à peu près $9, $10 ou $11. Une fois rendus à Yellowknife, ils coûtaient $19, $20 ou $21. A Dawson City, de $29 à $30. A Calgary, à la Compagnie de la Baie d'Hudson, ils coûtaient $45. Il y a certainement quelqu'un en chemin qui se graisse aux dépens de l'Indien.

M. Solomon: Voilà exactement ce qui se passe d'un bout à l'autre du Canada. C'est pour mettre un peu d'ordre là-dedans que je propose un autre moyen de procéder de façon à donner une certaine chance aux artisans. Les mocassins que je paierais $5 se vendraient sur le marché pour $10.

M. Deakon: Est-ce que c'est exact? Est-ce que c'est ce qui se passe?

M. Solomon: J'ai acheté des mukluks que j'ai dû envoyer. J'ai dû travailler d'ailleurs avec l'artisan directement pour tourner la difficulté soulevée par le centre d'artisanat. Comme je l'ai dit, il y a certainement une bonne raison pourquoi le centre d'artisanat n'achète pas de mukluks et de mocassins. Je

[*Text*]

buy these mukluks and moccasins for her, I said to the craftsman: Do you want to ship directly to the market? "I will help you with it." I did that. In one of the shops here in Ottawa that sell mukluks, those on which the craftsman had put a price of $10, $11 or $12 were doubled in price. That is the normal practice all over.

Mr. Deakon: I can see your point. Everybody wants to make a dollar out of them, but surely not to the extent of quadrupling the original price?

Mr. Solomon: These craftsmen are dealt with in very many ugly ways, and they are always at a disadvantage. They are always sort of distress-selling.

In one case two women worked for about a month and a half or two months making beautiful work, you know the little porcupine quill box, which is not from that area up there—they had made work the equal of that and that comes from the same community. They hired a truck and went to the French River and sold their work. They owed the truck driver when they were finished.

Mr. Deakon: Who runs these craft centres?

Mr. Solomon: Individual people.

Mr. Deakon: Have they any connection with the Department of Indian Affairs and Northern Development?

• 1135

Mr. Solomon: I made a mistake. It is individuals who buy these things, and they buy at whatever prices they want to pay. There is one in Little Current, a person who has bought from the craftsmen over many, many years. She always got the credit for maintaining Indian crafts on the Island. She was maintaining herself, not the craft.

Mr. Deakon: Mr. Solomon have you ever considered publicizing these crafts in big cities such as Metropolitan Toronto so that people there who may desire some of these crafts can obtain them directly from the source by writing to the community, or whatever it may be, where these crafts are produced?

Mr. Solomon: That is very nice, but it does not work. I have tried for two years to make that kind of thing work. I know, as a crafts-

[*Interpretation*]

n'ai pas pu acheter ces mukluks et ces mocassins directement de la personne qui les faisait. Je lui ai demandé s'il voulait les expédier directement sur le marché et que si c'était le cas je serais prêt à l'aider. C'est ce qui s'est passé. Dans un des magasins ici à Ottawa, il y a des mukluks, par exemple, dont l'artisan a fixé le prix à $10, $11 ou $12 et qui ont doublé. C'est ce qui se passe d'ailleurs habituellement.

M. Deakon: Je comprends votre point de vue. Chacun veut prendre son bénéfice, mais il ne faudrait tout de même pas quadrupler le prix primitif?

M. Solomon: Les artisans ne sont pas toujours bien traités. Ils sont toujours désavantagés. Ils sont toujours obligés de vendre très vite. Je songe ici à deux femmes qui ont travaillé six semaines ou deux mois pour faire des choses très très jolies; le travail était aussi bien fait que la petite boîte en piquants de porc-épic que je vous ai montrée. Elles ont loué un camion, sont allées à la Rivière-aux-Français, ont vendu leur travail et quand elles sont rentrées chez elles, elles devaient encore de l'argent au camionneur.

M. Deakon: Mais qui dirige ces centres d'artisanat?

M. Solomon: Diverses personnes.

M. Deakon: Est-ce qu'elles ont un rapport quelconque avec le ministère?

M. Solomon: J'ai fait erreur. Il y a toutes sortes d'acheteurs. Ces gens-là achètent ces objets au prix qu'ils veulent bien payer. Il y a une personne à Little-Current qui achète depuis des années des objets aux artisans. On lui a toujours attribué le mérite d'avoir empêché la disparition des arts indiens dans l'île mais au fond c'est elle qu'elle faisait vivre, pas l'artisan.

M. Deakon: Avez-vous déjà songé à faire de la publicité à ces arts populaires auprès des grandes villes comme Toronto, par exemple? Il est très possible que ces gens qui désirent acheter ces objets pourraient les obtenir directement en écrivant à la communauté indienne par exemple.

M. Solomon: J'ai bien essayé. Voilà deux ans que j'essaie mais cela ne marche pas. Je sais ce que cela suppose pour l'artisan. Je

[*Texte*]

man, what it means to ship and I have a better opportunity, as a craftsman, than they have.

Many times they ship things out and do not get their money for them. In the case of one woman, as I was just mentioning, she made a quill box and sent it to the United States. It cost her the time to make it and the materials, and so on. The woman is crippled and is in a wheel chair. She got a letter back about a month later saying, "The box was broken. I am not going to pay for it." This kind of thing goes on all the time.

Mr. Deakon: Why not mail it COD? I would not just send it to...

Mr. Solomon: I know. It is all very well to talk about that kind of thing in Ottawa, but when you get out in the bush and try to do that sort of thing it is another story.

Mr. Deakon: We should see to it that these problems are rectified. Thank you, Mr. Chairman.

Mr. Simpson: Mr. Solomon, I have a question relative to my own idea of the matter the member was trying to raise.

You were comparing the prices in the different places. Is it not also true that in many of the things we saw on our trip as members know, and as Mr. Solomon knows better than any of us—there is sometimes a vast difference in the quality of the work? If you were to try to order a pair of mukluks from any region in Canada where the Indian people make these, to try to get a pair like your neighbour's, who had been into that area, it would be very, very difficult to do; and you may not be quite satisfied by just ordering them by request. You would almost have to have a sample of the actual article you wanted.

Mr. Solomon: Even that would not work, because there is no quality-control whatsoever.

Mr. Simpson: No; I realize that; and the number of people working on it, I suppose, would have a big bearing on the relative cost.

Mr. Solomon: The quality of work and the design and so on all matter a tremendous lot. You can look at a good pair of moccasins or mukluks and say, "I would like to have a pair like that", and try to get a pair. You just try it.

Mr. Simpson: I realize that.

Mr. Solomon: It is all but impossible. The dealers only want these things for a period

[*Interprétation*]

suis moi-même artisan. Je connais bien la question. Il arrive souvent que les artisans qui ont expédié directement leurs objets n'ont jamais été payés. Je connais le cas d'une femme, par exemple, qui avait fait une boîte en piquants de porc-épics pour envoyer aux États-Unis. Elle est infirme et cela lui a pris du temps à confectionner cette boîte. Elle a reçu une lettre lui disant: La boîte est brisée, je ne veux pas la payer. Ce sont des choses qui se passent tout le temps.

M. Deakon: Vous pourriez l'envoyer payable sur livraison.

M. Solomon: Sans doute, on peut parler ainsi lorsqu'on est à Ottawa, mais lorsqu'on est dans la forêt c'est autre chose.

M. Deakon: Nous devons voir à ce qu'il soit mis un terme à cela. Merci beaucoup, monsieur le président.

M. Simpson: M. Solomon, j'ai une question. Voici ce que je pense de ce à quoi on voulait en venir. Si on compare les prix dans différents endroits. N'est-il pas vrai que bon nombre de ces objets que nous avons vus pendant notre voyage au Yukon, il y a, comme vous le savez et comme M. Solomon le sait bien mieux que nous, une différence quant à la qualité. Si vous essayez de commander une paire de mocassins ou de mukluks dans une région du Canada où ces personnes fabriquent ces mocassins pour essayer d'obtenir une paire comme celle de votre voisin qui est allé dans cette région, ce sera très difficile à obtenir. Vous ne serez peut-être pas aussi satisfait que celui qui les a achetés sur place. Il vous faut pratiquement un échantillon de ce que vous voulez.

M. Solomon: Même cela ne fonctionne pas parce qu'il n'y a aucun contrôle de la qualité ...

M. Simpson: Je m'en rends compte. Et de nombreuses personnes travaillent à ces objets. Je suppose que cela a un effet important sur les coûts.

M. Solomon: La qualité et le dessin du travail, sont des questions qui importent beaucoup. Si vous voulez une bonne paire de mocassins, vous n'avez qu'à l'essayer.

M. Simpson: C'est ça.

M. Solomon: Bien souvent c'est impossible. Les détaillants ne veulent ces objets que pour

[*Text*]

from about May 1 until the end of November. The rest of the year is dead so far as the craftsmen are concerned, and that is their best time to produce during the winter time.

Mr. Orlikow: Mr. Chairman, I have one question of Mr. Solomon. I do not know whether he will be able to answer it, but perhaps we could discuss it at some point.

I understand there is a co-operative organization, which was initiated by the government, which helps sell craft goods produced by the Eskimos. I am pretty certain they keep an eye on the sale at the retail level as compared to the price at which the craftsman sold it, so that there has to be some relationship.

Would the Department think of setting up the same kind of organization to help promote craft material produced by Indians, and to see that they got a fair price?

There certainly cannot be much equity when the local resident has to sell to somebody near the reserve, because they are going to buy it—it is very natural—as cheaply as possible and sell at as high a price as possible. Could we discuss that at some point.

• 1140

The Chairman: Mr. Orlikow, we had intended to have Mr. Mitchell of Canadian Arctic Producers Ltd. with us today. However, he had scheduled a trip to Yellowknife before we arranged this meeting and he could not come. We have with us today Mrs. Houston of Canadian Arctic Producers. She is not prepared, and is not authorized, to make a presentation on behalf of CAP today but perhaps Mrs. Houston might be available, after we have questioned Mr. Solomon further, for some direct questions. Mr. Solomon, perhaps you could tell us what your relationship is with CAP. Do you deal with them at all or, if you do not, what are your complaints or your problems?

Mr. Solomon: I have no dealings with CAP whatsoever, Canadian Arctic Producers Ltd., except that most of the members of CAP are friends of mine; people like Mrs. Houston, Eric Mitchell, and so on, but I do not have dealings with them in any way.

The Chairman: Mr. Borrie has a question.

Mr. Borrie: I wonder, Mr. Solomon, if you could go into some detail with respect to where you say the government should get its clammy hands out of the business and that

[*Interpretation*]

une période allant du 1er mai à la fin de novembre. Pour ce qui est du reste de l'année, il y a très peu de clients pour ces produits. C'est pourtant la saison d'hiver qui est la plus favorable à la production.

M. Orlikow: J'aimerais pouvoir parler de la question parce que si je comprends bien, il y a une organisation de coopératives soutenues par le gouvernement qui aide à vendre les objets d'artisanats produits par les Esquimaux. Je suis sûr que le gouvernement exerce une surveillance sur la vente au détail en ce qui à trait aux prix. Le ministère ne pourrait-il pas songer à constituer les mêmes cadres coopératifs afin d'encourager les artisans indiens afin de s'assurer qu'ils obtiennent un juste prix. Sûrement, ce n'est pas d'un grand rapport quand les gens de la bande doivent vendre leurs objets aux alentours de la réserve. Car quiconque essayera de les acheter au plus bas prix possible et de les revendre au meilleur prix. Est-ce qu'on ne pourrait pas parler de cette question?

Le président: Monsieur Orlikow, nous avions l'intention d'entendre M. Mitchell, de la Canadian Arctic Producers, mais il avait prévu un voyage à Yellowknife, avant que nous puissions arranger cette séance, ainsi, il n'a pu se rendre à notre convocation. Madame Houston de la Canadian Arctic Producers, est avec nous aujourd'hui. Elle n'est pas autorisée à témoigner au nom de cette association aujourd'hui, mais, après que nous aurons terminé notre période de questions directes avec M. Solomon, peut-être pourrait-elle répondre à des questions. Monsieur Solomon, peut-être pourriez-vous répondre et nous dire quel rapport avez-vous avec cette association. Est-ce que vous traitez avec eux? Sinon, quelles sont vos plaintes? Quels sont vos problèmes?

M. Solomon: Je n'ai rien à voir avec «*Canadian Arctic Producers,*» (les Producteurs Canadiens de l'Arctique) excepté que la plupart des membres du PCA sont mes amis, Mme Houston, M. Eric Mitchell, etc. Je ne traite pas avec ces gens-là, pas du tout.

Le président: M. Borrie a une question.

M. Borrie: Je me demande, monsieur Solomon, si vous pourriez entrer dans les détails de la question? Vous dites que l'État ne devrait pas poser sa main preneuse dans ces

[*Texte*]

you would shunt some of their mandates into limbo. What are you getting at there?

Mr. Solomon: What I am getting at is that we produced a study and proposals for the Department of Indian Affairs, and Mr. Penner suggested to Mr. Watson that this Committee look into those proposals. As far as I am concerned it was killed by the people in the regional office of Indian Affairs in Toronto and by the other regional offices throughout the country.

Mr. Borrie: What sort of proposals are you talking about?

Mr. Solomon: This was a proposal to set up a limited company—it was a special kind of thing, something I am not familiar with—that is, the matter of setting up a company and doing business, and Dr. Martin O'Connell is aware of this and he has gone through it, but there are many considerations. However, this would have set up a company which was not a co-operative but it would be operated in the interests of the craftsmen.

For instance, when they want to buy materials such as thread and beads, and so on, they have to pay tremendous prices for them to the free trader or the Hudson's Bay Company. They pay double the price for beads at the Hudson's Bay Company compared to what I was selling the same beads for that I got from Indian Affairs.

There is no profit involved in Indian Affairs. Also, there is a particular kind of cloth which I believe they call shroud, as well as various other kinds of cloth, which the Hudson's Bay Company sells at a price of something like $10 a yard to the craftsmen, and they are in such a fix that they can only buy narrow strips of the stuff for their particular use, and this company would have bought this kind of material and sold it to the craftsmen at cost price. They would not lose money, but the idea is to sell it to them at a reasonable price and simply get a return on their money.

Mr. Borrie: How much is a reasonable price?

Mr. Solomon: For instance, a reasonable price for what Indian Affairs now has to sell, which as far as I am concerned is unsuitable, and this is a cloth that is used in making mukluks. It is unsuitable because when the bead decorating is put on it it is almost lost because the material is too furry. That material is sold for $6.15 a yard, or something like that, and I sold some of it last

[*Interprétation*]

affaires et que vous mettriez à certaines instructions des fonctionnaires dans l'ombre. Où voulez-vous en venir?

M. Solomon: Nous avons produit une étude et des propositions pour le ministère des Affaires indiennes. M. Penner avait donné à entendre à M. Watson qu'il serait bon que le présent Comité examine ces propositions. Autant que je sache, les fonctionnaires du Ministère des Affaires Indiennes les avait affichées au bureau régional de Toronto et dans d'autres bureaux régionaux.

M. Borrie: De quel genre de propositions s'agissait-il?

M. Solomon: Il s'agissait de créer une société à responsabilité limitée, dotée de pouvoirs que je connais mal. Mais, il se serait agi d'établir une société et de faire des affaires. M. Martin O'Connell connaît cette question et il vous en a parlé. La question, évidemment, est compliquée. Il se serait agi de créer une société qui n'aurait pas été une coopérative, mais qui aurait travaillé dans l'intérêt de l'artisan.

Par exemple, lorsqu'on veut acheter des matières premières, comme du fil, des perles, etc. on les paye très, très cher de la Compagnie de la Baie d'Hudson ou des fournisseurs de ces régions. Le prix demandé par la Compagnie de la Baie d'Hudson est deux fois plus que ce que je demandais moi-même lorsque je vendais les mêmes perles que j'avais eues à cette fin des Affaires indiennes.

On ne fait pas de profit aux Affaires indiennes. Et il y a également du tissu qu'on appelle la shroud et diverses autres sortes de tissus, que la Compagnie de la Baie d'Hudson vend dix dollars la verge aux artisans. Ils sont tellement mal pris qu'ils ne peuvent en acheter que des bandes assez étroites pour leur propre usage. Cette compagnie dont je parle aurait acheté ce tissu et l'aurait vendu à l'artisan au prix coûtant. Il ne se serait pas agi pour elle de perdre de l'argent. Il se serait agi pour elle de vendre à l'artisan à prix raisonnable et de récupérer simplement son argent.

M. Borrie: Un prix raisonnable, c'est combien?

M. Solomon: Par exemple, un prix raisonnable pour ce que les Affaires indiennes ont à vendre, et que je ne trouve pas convenable, c'est un tissu qui est sensé servir à la fabrication des mukluks mais ça ne convient pas à cet usage, parce que quand on le décore avec des perles, cela ne paraît pas car le tissu est trop velu. J'en ai vendu un peu l'hiver dernier, seulement à $6.75 la verge, je pense. A

[*Text*]

winter, but if they go to the Hudson's Bay Company to buy that cloth they will have to pay around $10 a yard for practically the same thing.

Mr. Borrie: There is nothing in the Act, though, that prevents any group of craftsmen

• 1145

in a particular area or region from developing a company, and being able to purchase and sell through this company, is there?

Mr. Solomon: I do not quite understand.

Mr. Borrie: The craftsmen can form a company of their own.

Mr. Solomon: They are free to do that.

Mr. Borrie: And this could be done without interference from the Department of Indian Affairs.

Mr. Solomon: It would be ideal if it could be done, but if we waited for that I think we would have to wait until hell freezes over.

Mr. Borrie: Who are you asking to take the initiative, the Department of Indian Affairs or the craftsmen? This is what I am getting at.

Mr. Solomon: No. I am asking that the federal government look into the possibilities and this Committee examine whether this is a good idea or not, and if what I am saying is of value, that you go on from here. I have suggested that perhaps you could talk to Mr. Vokes to obtain an independent opinion on what he saw three weeks ago in these same areas. If these ideas are valid, I would like this Committee to look into them and to go beyond what we now have.

Mr. Borrie: One further question, Mr. Chairman, and then I will pass to someone else. Mr. Solomon, what do you think about the Arts and Craft Centre? Do you believe it is serving its purpose?

Mr. Solomon: As far as I am concerned it does not serve its purpose. It cannot possibly serve its purpose when you have one person who sits there who is not realistic as far as craft development is concerned.

Mr. Borrie: You mean expanding the development of crafts?

Mr. Solomon: If you are going to make shoes you have to get out and sell the shoes. In any kind of business you have to sell, and

[*Interpretation*]

la Compagnie de la Baie d'Hudson, il leur faudrait payer exactement le même tissu $10 (dix dollars) la verge.

M. Borrie: Est-ce qu'il y a quelque chose dans la Loi qui empêche un groupe quelconque d'artisans dans une région particulière de se former en Société qui puisse leur permettre de vendre et d'acheter?

M. Solomon: Je ne comprends pas très bien.

M. Borrie: Mais est-ce que les artisans ne pourraient pas former leur propre société?

M. Solomon: Oui, mais ils sont libres de le faire.

M. Borrie: Mais cela peut se faire sans l'intervention du ministère.

M. Solomon: Sans doute, ce serait l'idéal, mais s'il fallait attendre que cela se fasse, il faudrait attendre la semaine des quatre jeudis.

M. Borrie: Mais qui doit prendre l'initiative, le Ministère ou les artisans eux-mêmes? C'est ce à quoi je veux en venir.

M. Solomon: Je voudrais que le gouvernement fédéral examine cette possibilité. Je voudrais que le Comité étudie la valeur de cette idée en partant de ce que je dis. Vous pourriez peut-être parler à M. Vokes, qui vous donnera librement son opinion de ce qu'il a vu il y a quelques semaines dans ces mêmes régions. Si ce sont des idées valables, je voudrais que le Comité les examine pour aller au-delà des idées actuellement en cours.

M. Borrie: Une autre question, monsieur le président, et je laisserai la parole à un autre. M. Solomon, qu'est-ce que vous pensez du Centre d'artisanat lui-même? Pensez-vous qu'il remplit bien son but?

M. Solomon: Pour autant que je sache, il ne le fait pas. Il est impossible qu'il réussisse dans son entreprise tant qu'il sera dirigé par quelqu'un qui n'a pas, sur le développement des arts populaires, des idées nettes.

M. Borrie: Vous voulez dire augmenter le développement de l'artisanat?

M. Solomon: Si on fabrique des chaussures, il faut les vendre. Dans tout genre d'affaires, il faut vendre et c'est précisément ce que

[*Texte*]

this is exactly what we have provided for in this kind of company, that we would sell the stuff, we would go to the craftsman and buy the articles and we would exercise the kind of quality control that is necessary in the marketplace.

We would also provide the materials to the craftsmen at cost in order to facilitate their work. However, I wanted to go beyond that and develop new ideas in the community. This is what I have been able to do in this work that I have done.

Mr. Borrie: Thank you very much, Mr. Solomon.

The Chairman: Any questions? Mr. Simpson.

Mr. Simpson: Mr. Solomon, am I right in assuming that as far as the retailing of these products is concerned the Department of Indian Affairs, or any branch of the government, has no outlet of their own. You spoke about the craft shop. As you said before, these are all...

Mr. Solomon: The Arts and Craft Centre.

Mr. Simpson: The Arts and Craft Centre. Where is the Arts and Craft Centre?

Mr. Solomon: The Arts and Craft Centre is at 290 Palace Street in Ottawa.

Mr. Simpson. This is the one you are talking about?

Mr. Solomon: That is right.

Mr. Simpson: And this is the only one that is referred to as the Arts and Craft Centre in Canada, as far as the Department of Indian Affairs is concerned?

Mr. Solomon: As far as I know the only Indian Affairs Arts and Craft Centre in Canada is in Ottawa.

Mr. Simpson: This is what I was wondering about. There is just the one in Ottawa. I am certainly not being critical because I am all in favour of the idea of this Committee looking into the aspects of a better system for getting these goods on the market. How many programs do you know of that the Department of Indian Affairs is carrying on like the one you are operating, where you go out into certain areas and buy handicrafts with government funds to send to the Arts and Craft Centre? In how many areas is this being done in Canada? Is it being done in each province?

[*Interprétation*]

nous cherchions à faire en créant cette société. Nous voulions vendre ces objets, nous voulions acheter des choses de l'artisan et exercer le contrôle de la qualité qui est nécessaire sur le marché.

Nous allions aussi fournir des matières premières à l'artisan au prix coûtant de façon à rendre son travail plus facile. Mais je voulais aller encore au-delà pour créer des nouvelles idées dans la localité. C'est, du reste, ce que j'ai pu faire par mon travail.

M. Borrie: Merci beaucoup, monsieur Solomon.

Le président: D'autres questions? Monsieur Simpson.

M. Simpson: M. Solomon, ai-je raison de croire, pour ce qui est de la vente au détail, que le ministère des Affaires indiennes ou tout autre service du gouvernement n'a pas de débouché? Vous avez parlé des ateliers d'artisanat. Comme vous l'avez dit déjà, ces...

M. Solomon: Le Centre d'artisanat.

M. Simpson: Le Centre d'artisanat. Où se trouve-t-il ce Centre d'artisanat?

M. Solomon: Il se trouve au 290, rue Palace, à Ottawa.

M. Simpson: C'est celui dont vous parlez?

M. Solomon: C'est cela.

M. Simpson: C'est le seul qui porte ce nom au Canada, en autant que le ministère des Affaires indiennes est concerné?

M. Solomon: Pour autant que je sache, il n'y en a qu'un seul au Canda et il se trouve à Ottawa.

M. Simpson: C'est ce que je me demandais. Il n'y en a qu'un seul, à Ottawa. Je ne veux pas critiquer parce que je suis tout à fait favorable à ce que le présent Comité étudie les aspects afin d'établir un meilleur système pour acheminer ces produits vers les marchés. Combien connaissez-vous de programmes comme le vôtre mis en application par le ministère des Affaires indiennes de places où vous allez acheter à même les fonds publics, pour acheminer ces produits vers le Centre d'artisanat? Dans combien de régions cela se fait-il au Canada? Cela se fait-il dans chaque province?

[*Text*]

Mr. Solomon: No. As far as I am aware there is Team Products, which began as an individual effort and then it got a grant of money from the federal and the Alberta governments in order to operate. I think it was something like a grant of $110,000 over a period of three years.

Whether they have been successful or not I do not know. Apart from that the only buying that has been done that I am aware of has been through the agency offices, and it is often done by people who have no idea what kind of quality control should be imposed or implemented. These are people who really do not know what they are doing; it is really a sideline and usually they do not like it.

Mr. Simpson: And do a lot of the crafts that we see in agency offices on reserves when we go throughout Canada that have been purchased normally find their way to the Arts and Craft Centre in Ottawa?

Mr. Solomon: I suppose they do, but God knows what they are. To me it is like putting

• 1150

a Band-Aid on a cancer, that sort of thing. It is really sort of an afterthought as far as I am concerned.

At the Geraldton agency office a fellow bought a coat from a woman for $65. This money then belongs to the agency, and God knows what will become of it. He has been trying to sell this one jacket direct to someone. There are other articles they have bought and tried to sell directly to a dealer.

Mr. Simpson: When the Arts and Crafts Centre here take things from you, do they immediately pay back into the fund you are using, or do they take things on consignment?

Mr. Solomon: There was $3,000 set up for me to operate with. It was supposed to have been a fund that would have been replenished as it was used, subject to my giving an account of what I had done. That ran into quite a problem, but the point is that the money was there. It is government money. Then I shipped in turn for the Arts and Crafts Centre. I was supposed to be under the direct control of the Arts and Crafts Centre. This is the logical way to operate.

I saw that it was impossible to operate this way in the beginning and say, "Here is a test program; you can have it. You can take it or

[*Interpretation*]

M. Solomon: Non, je connais les Produits Team, petite industrie qui a été commencée par l'effort d'un particulier, et qui a, par la suite, obtenu une subvention du gouvernement fédéral et du gouvernement de l'Alberta afin de fonctionner. Je pense que la subvention était de l'ordre de cent dix mille dollars ($110,000) pour une péroie de trois ans.

S'ils ont réussi ou pas, je n'en sais rien. A part cela, les seuls achats qui aient été faits se sont faits par l'entremise des bureaux des agences, et ils se font souvent par des personnes qui ne savent pas du tout quel genre de contrôle de qualité il faut imposer ou exercer. Ce sont des personnes qui ne savent pas vraiment ce qu'ils font. C'est un à-côté. Habituellement, ils n'aiment pas faire ce travail.

M. Simpson: Et bon nombre de ces objets d'artisanat que nous voyons dans les bureaux d'agence, dans les réserves, lorsque nous parcourons le Canada, et qui ont été achetés, sont-ils habituellement acheminés vers le Centre d'artisanat, à Ottawa?

M. Solomon: J'imagine. Mais enfin, Dieu c'est qui en retourne. C'est comme si on mettait un sparadrap pour soigner le cancer. C'est vraiment une sorte de réflexion après coup.

Au bureau de l'agence de Geraldton, un type a acheté un manteau d'une dame pour soixante-cinq dollars ($65). Ce fut acheté avec l'argent de l'agence, mais qu'est-ce qu'on va en faire. Il a essayé de le vendre directement à quelqu'un, ce manteau—mais on a acheté d'autres articles qu'on a essayé de vendre directement au commerçant.

M. Simpson: Quand le Centre d'artisanat ici à Ottawa vous achète des articles, vous rembourse-t-il immédiatement ou prend-il les articles en consignation?

M. Solomon: On a prévu $3,000 dollars pour mon travail. Ce devait être un fonds qui se renouvelerait au fur et à mesure, suivant les comptes que je rendrais pour le travail accompli. Cela a causé bien des problèmes, mais l'important, c'est que l'argent y était. C'est l'argent du gouvernement. Ensuite je me suis adressé au Centre d'artisanat. Je devais relever directement du Centre d'artisanat. C'est la façon tout à fait logique de fonctionner.

Dès le début, j'ai vu qu'il était impossible de procéder de cette façon et de dire: «Voici un projet d'essai; tout dépend de vous; fai-

[*Texte*]

leave it; do what you like with it." My part was to deal with them realistically. This way I went overboard. For one thing I did not have the knowledge as a buyer. I have the knowledge as a craftsman, but not as a buyer. I gradually acquired it—very quickly—and I tried to comply with Miss Gooden's regulations.

As I said, I restarted the program in October, and when I began this fall I had an order from Miss Gooden for three items. I do not have any record of what those things were. There was only one of those items that I recall that they could produce and that was the willow abstracts. Vern Gran and Tom Lee in Toronto said, "We think we are making real progress."

I said, "What the hell about all the other things that the people have skill and ability to make and materials to work with, and so on? What about those things? For these things they have nothing to work with almost. This is real progress." You know, this was a matter of almost stopping them completely.

Mr. Simpson: Can we take it, then, that all of these craft shops operated across Canada by individuals more or less do their own buying? Through this set-up that you have, you have no way of picking up materials or crafts which maybe the Arts and Crafts Centre does not want but which people are producing? You do not buy any of those and then turn them over to private outlets?

Mr. Solomon: I would not dare do that. For one thing, it would make such a jackpot that I could never handle it. And I am using their money; it is not right to do that kind of thing anyway. There is too much chance of loss in that sort of thing. Sometimes the dealers do not even pay for what they get. I am sure that when you listen to Canadian Arctic Producers Ltd. next week, when it comes to collecting the money for the stuff they have sold you will find what kind of difficulties they have.

Mr. Simpson: Then I have one necessary further question. When you turn articles over to the Arts and Crafts Centre do they immediately pay back into the fund or is there a credit basis?

Mr. Solomon: The money is there for me. How it gets there I am not concerned with, but it is there for me. I pay directly to the craftsman the price that I agree on with the

[*Interprétation*]

tes-en ce que vous voulez». Je devais alors procéder de façon réaliste, mais de cette manière je suis allé un peu trop loin. Je n'avais pas d'expérience en tant qu'acheteur; en tant qu'artisan oui, mais pas en tant qu'acheteur. Peu à peu, j'ai acquis cette expérience—très rapidement—et j'ai essayé de m'en tenir aux exigences de M[lle] Gooden.

Comme je vous l'ai dit, j'ai relancé le programme au mois d'octobre, et lorsque j'ai commencé, cet automne, j'avais une commande de 3 articles pour M[lle] Gooden; mais je n'ai aucun dossier pouvant m'indiquer la nature de ces articles. Si je me souviens bien, on ne pouvait produire qu'un seul de ces articles, les sculptures abstraites en bois de saule. Vern Gran et Tom Lee à Toronto m'ont dit: «A notre avis, nous faisons beaucoup de progrès».

Alors j'ai dit: «Que dire des autres choses que les personnes ont l'aptitude et l'habilité de faire et les matériaux pour les fabriquer, et ainsi de suite? Que dire de ces autres artices? Des articles pour lesquels ils n'ont presque rien pour travailler? Voilà un véritable progrès».

M. Simpson: Est-ce que tous les centres d'artisanat sont exploités dans le pays par des personnes, qui s'occupent plus ou moins de leurs propres achats? Avec votre système, vous ne pouvez pas recueillir les objets ou articles que le Centre d'artisanat ne désire peut-être pas, mais que les gens fabriquent? N'en achetez-vous pas pour les revendre ensuite à des boutiques privées?

M. Solomon: Non, je n'oserais pas faire cela. Tout d'abord, cela rapporterait tellement d'argent que je ne saurais qu'en faire. J'utiliserais leur argent. Il y a trop de risques et de pertes dans ce genre d'affaire, ce ne serait pas juste de procéder de cette façon. Parfois, les marchands ne paient même pas le prix de ce qu'ils achètent. La semaine prochaine, lorsque vous entendrez les Producteurs canadiens de l'Arctique Ltée, vous verrez la difficulté qu'ils rencontrent lorsqu'il s'agit de ramasser l'argent.

M. Simpson: Je n'ai qu'une autre question. Lorsque vous revendez des articles au Centre d'artisanat, est-ce qu'il vous paie immédiatement ou est-ce que vous lui faites crédit?

M. Solomon: L'argent est là. Comment il s'y trouve peu m'importe, mais il est là. Je paie directement à l'artisan le prix convenu. Si je pense qu'un article vaut un dollar,

[*Text*]

craftsman. If I think an article is worth $1 I offer $1. If I think it is worth $10, that is exactly what I offer, and so on.

Mr. Simpson: Very good.

Mr. Solomon: I would like to enlarge on part of that. It seems to me you were asking how the crafts get to the markets, to the various marketplaces across Canada, to individual shops. This is excellently outlined in a proposal that we made which went to Indian Affairs. It has never been released to anybody and wherever I have gone that proposal has been accepted by Indian people.

• 1155

Mr. Simpson: Very good.

Mr. O'Connell: Mr. Chairman, I want to follow a few of the themes that have already been developed with respect to producing and marketing crafts. Would Mr. Solomon comment on the kind of community, as he has found it, that seems most receptive to craft activity? Are they the isolated communnties, are they large, small, close to other centres, and so on?

Mr. Solomon: Thank you very much for that excellent question. That is a very particular kind of question that has a great deal to do with craft development in Ontario. The diversions of non-Indian people, the beverage rooms and the television and all the other diversions that there are, tend to take away from a person's spare time and actually I feel that they are terribly destructive, socially destructive of the people; whereas if you get into the more remote communities, they are more close-knit and much more in harmony. With all of the differences there are in these communities, they are still whole communities. They do not tend to go to these kinds of things. They respect what they are, in other words, which is not so of the communities that are mixed up with the white men.

Matachewan is an excellent example of a place where some people simply destroy themselves socially.

Mr. O'Connell: If it is the general situation that it is the more remote communities that would go into craft production, it suggests that these people, too, lack information as to markets.

[*Interpretation*]

j'offre un dollar. Si je crois qu'il en vaut dix, c'est le prix que je lui offre, et ainsi de suite.

M. Simpson: Très bien.

M. Solomon: Je voudrais donner plus de détails sur une partie de ma réponse. Il me semble que vous avez demandé comment les objets d'artisanat parvenaient aux marchés d'un bout à l'autre du Canada, aux diverses boutiques. C'était très clairement indiqué dans une proposition que nous avions faite et adressée au ministère des Affaires indiennes. Elle n'a jamais été publiée, et, partout où je suis allé, cette proposition a été acceptée par les Indiens.

M. Simpson: Très bien.

M. O'Connell: Monsieur le président, je voudrais poser d'autres questions en ce qui concerne la production et la commercialisation des objets d'artisanat. Est-ce que M. Solomon pourrait nous dire dans quel genre de collectivité on semble s'intéresser le plus, d'après ce qu'il a remarqué, à l'artisanat? Est-ce dans les collectivités isolées ou proches des grands centres, dans les grandes ou les petites collectivités, etc.?

M. Solomon: Merci beaucoup, c'est une excellente question. En effet, cela est lié très étroitement aux progrès de l'artisanat dans l'Ontario. Les distractions offertes au non-Indiens, les bars, la télévision, et ainsi de suite, tendent à laisser moins de temps libre aux gens, et, à mon avis, elles sont extrêmement destructrices, du point de vue social; tandis que dans les endroits plus isolés, les collectivités sont beaucoup plus unies et en harmonie. Malgré les divergences qui peuvent opposer les gens, la collectivité demeure unie. Les gens ne cèdent pas à ce genre de tentation. Autrement dit, ils restent davantage eux-mêmes, ce qui n'est pas le cas dans les collectivités où les Indiens se mêlent aux Blancs.

Metachewan est un exemple typique d'endroit où certaines personnes causent purement et simplement leur propre destruction, du point de vue social.

M. O'Connell: Si, de façon générale, ce sont les collectivités isolées qui se lanceraient le plus facilement dans la production d'objets d'artisanat, cela donne à penser que ces gens-là aussi sont mal informés en ce qui concerne les marchés.

[*Texte*]

Mr. Solomon: Absolutely. All of them do, as far as that goes.

Mr. O'Connell: Then are you also saying that the present program, which seems to be built around a warehouse called the Arts and Crafts Centre, does not really develop a system of production and marketing that can be of any use to remote communities?

Mr. Solomon: It does not develop anything. For instance in Big Trout Lake, which is close to Kasabonika, about 55 miles away, I think it is Bill Houston who is the buyer for the Arts and Crafts Centre or for the agency office at Sioux Lookout. The people have written to me and they have sent petitions to me asking if I would go there and help them out. They have even hired a plane on two occasions. Two people have hired a plane at 50 cents a mile to come over and see me and I could not do anything for them. If they want my services, my help, that badly, surely the other service is not the kind of thing they need. They have said that very thing time and again.

Mr. O'Connell: Would you say that these people are prepared for some organization to come into the craft industry for purposes of expanding their production, or are they wishing to sort of deal in an unorganized way?

Mr. Solomon: The craftsman is most concerned, not with an organization of any kind, but that he will be able to sell his work and that he will be able to make whatever adjustments are necessary to make his work more suitable and thus more salable to bring more money into his pockets. That is the whole thing. If it means setting up an organization to facilitate this kind of thing, that is what it means.

Mr. O'Connell: Would they participate in an organization—a sort of Canadian Arctic Producers type of company?

Mr. Solomon: I think they would. They set up a craft guild in Kasabonika and in Webequie. I want them eventually to deal, and as soon as possible, with quality control so that they will be in a position to ship directly to the market. They should be free to do this kind of thing. The only thing is that it costs

• 1200

them not less than 15 cents a pound to ship these things out and if they get stuff in, it costs them the same price.

[*Interprétation*]

M. Solomon: C'est parfaitement exact. Le manque d'information est général.

M. O'Connell: Cela implique aussi, donc, que le programme actuel, qui semble être axé sur une espèce d'entrepôt que l'on nomme Centre d'artisanat, ne met pas vraiment sur pied un programme de production et de commercialisation qui puisse être de quelque utilité aux collectivités isolées?

M. Solomon: Non, en effet. Par exemple, Big Trout Lake, qui se situe à environ 55 miles de Kasabonika, c'est Bill Houston, je crois, qui est acheteur pour le Centre d'artisanat, ou pour le bureau régional de Sioux Lookout. Les gens de là-bas m'ont envoyé des pétitions par écrit sur place pour les aider. Deux fois, ils ont même loué un avion exprès. Deux personnes ont loué un avion, à 50 cents du mille, pour venir me voir, et je n'ai rien pu faire pour elles. Si ces gens-là ont tellement besoin de mes services et de mon aide, il faut en conclure que le service qu'on leur assure actuellement n'est pas satisfaisant. Ils l'ont d'ailleurs répété maintes fois.

M. O'Connell: Est-ce que vous pensez que ces gens sont disposés à accepter un certain degré d'organisation dans l'artisanat en vue d'augmenter leur production, ou qu'ils préfèrent rester inorganisés?

M. Solomon: Ce qui intéresse surtout l'artisan, ce n'est pas l'organisation, mais la possibilité de vendre le fruit de son travail et de le modifier, au besoin, pour qu'il soit mieux adapté au marché, et donc plus facile à vendre et plus rentable. C'est là ce qui lui importe. S'il faut pour cela une certaine organisation, il l'acceptera.

M. O'Connell: Est-ce qu'il accepterait de participer à une organisation—à une compagnie dans le genre de la *Canadian Artic Producers Ltd?*

M. Solomon: Je pense bien que oui. A Kasabonika et à Webequie, les gens ont mis sur pied une association d'artisanat. Je veux qu'ils en arrivent à s'occuper eux-mêmes du contrôle de la qualité et ce, dès que possible, afin qu'ils puissent expédier leurs produits directement sur le marché. Ils devraient être libres de faire ce genre de choses. L'ennui c'est que, pour expédier leurs produits, cela leur coûte au moins 15 cents de la livre, et, s'ils reçoivent leurs matières premières d'ailleurs, cela leur coûte aussi 15 cents de la livre pour les faire venir.

[*Text*]

Mr. Borrie: If I understand you correctly—are you saying that you cannot sell directly to independent retailers? Does everything have to go through the Arts and Crafts Centre?

Mr. Solomon: I am using government money, and it is only logical and only sensible for me to send directly to the craft centre.

Mr. Borrie: This is for you personally, but for any other craftsmen?

Mr. Solomon: The other individuals can sell anywhere they like, in Canada or Europe or anywhere else. There are no restrictions.

Mr. Borrie: Your presentation is a little confusing to me because I really do not know what you are getting at. First of all, you are against the attitude of the Department of Indian Affairs with regard to the craft centre. Then you also state that you are concerned with the independent retailers who are not paying the bills to those who are buying from the craftsmen directly. Do you think this organization is going to prevent all this?

Mr. Solomon: The organization will buy directly from the craftsmen and will provide factual information. It would also provide them with materials at much better prices than they pay now. It would also provide them with the things they need, whether it be tools or whatever. It woul be an independent organization which could sell anywhere in Canada. It could do a selling job, not only in Canada but in the United States and other countries. It would not be within the control of government. This is what the proposal says.

The Chairman: Mr. O'Connell.

Mr. O'Connell: I do not know that you would want any comments on that earlier proposal, and I have rather forgotten many of the details of it. But I think it does bear a little upon the thing we are grappling with here. It seemed to me that that particular proposal was good in that it wanted to build the craftsmen's influence into some kind of production and marketing structure. It wanted them to have some say in it.

At the same time, if I remember correctly, it was in two divisions. The first would be a non-profit corporation that would be interested in quality development, information, and creative development among the craftsmen, and somewhat controlled by them.

[*Interpretation*]

M. Borrie: Si j'ai bien compris, on ne peut pas vendre directement à des détaillants indépendants? Faut-il que tout passe par le centre d'artisanat?

M. Solomon: Dans le cas qui nous occupe, j'utilise l'argent du gouvernement. Il est parfaitement logique que j'envoie directement ces produits au centre d'artisanat.

M. Borrie: C'est vrai pour vous, mais en ce qui concerne les autres Indiens?

M. Solomon: Il n'y a pas de restrictions. Ils peuvent vendre où ils veulent, au Canada, en Europe ou ailleurs.

M. Borrie: Je ne comprends pas très, très bien où vous voulez en venir. D'abord, vous êtes contre l'attitude du ministère des Affaires indiennes en ce qui concerne le centre artisanal. Ensuite, vous venez de nous dire que vous vous préoccupez aussi de ce que les détaillants indépendants ne paient pas l'Indien pour ce qu'ils lui achètent. Est-ce que vous pensez que cette organisation pourra prévenir tout cela?

M. Solomon: L'organisation pourrait acheter directement de l'artisan et fournir les renseignements qu'il faut. Elle pourrait aussi fournir à l'artisan les matières premières à des bien meilleurs prix que ce qu'il doit payer actuellement. Elle pourrait aussi, lui donner ce dont il a besoin, serait-ce des outils ou autre chose. La compagnie à laquelle nous songeons serait une organisation libre qui pourrait vendre n'importe où au Canada, et aussi aux États-Unis et dans le monde. Elle ne serait pas soumise au contrôle de l'État. Voilà ce que nous entendions dans notre proposition.

Le président: Monsieur O'Connell.

M. O'Connell: J'ai oublié certains détails en ce qui concerne cette première proposition. Mais cela a bien trait à la question dont nous nous occupons actuellement. Cette proposition, autant que je me souvienne, était bonne en ce sens qu'on voulait faire valoir l'influence de l'artisan sur une structure d'organisation du marché. Elle voulait que l'artisan ait son mot à dire. En même temps, si je me souviens bien, cette companie était en deux parties, une société sans but lucratif qui s'intéresserait à l'information, à la qualité, à la production, etc., qui serait plus ou moins contrôlée par les artisans.

[*Texte*]

The other would be a commercial kind of operation that would be the economic arm and would be purchasing and selling in the market. But this second agency, a subsidiary of the first, would be rather substantially subsidized by government. It was there that I thought perhaps the thing had not been thought through fully, since if it is substantially subsidized, its purchase policies can be such that it undermines the other competitive channels that are already operating. Moreover, it might tend to pay too little for goods and not be concerned enough with the quality development side that the other body was working on. There seemed to be a contradiction. The more you subsidize, the more you might undermine the development of the industry.

I am not arguing against the proposal. I think it is an excellent basis for discussion. I think what we have now is obviously not doing the job. I suspect it is not doing the job because it is more of a warehousing facility than a market development type of facility. I hope there is some way—perhaps Mr. Solomon could comment on this—we could make a useful intervention here to get an effective non-profit production and marketing agency that has some direction from the craftsmen in it.

Mr. Solomon is stressing the non-government aspect. I like that very much. I suspect if it did not develop markets, it would be a subsidized operation and that has a whole host of difficulties involved in it. I do not know if that has been very useful.

• 1205

Mr. Solomon: I like that very well. Actually the proposal was to buy from the craftsmen at sensible prices according to what we could get for those products. There would be a period of dislocation and finding your way, a few months supposedly. There is always a period of confusion, it seems to me, in that sort of thing. But when we go into the community we would, of course, have a regular buyer and give him a particular area to work in. He would pay whatever seems to be at the moment realistic prices, considering what could be paid in the market, and what the craftsmen have a right to expect. Somewhere he has to find his way in that, the same as I have already done.

[*Interprétation*]

L'autre partie serait une société commerciale, en quelque sorte le bras économique de la première, qui s'occuperait d'acheter et de vendre sur le marché. La deuxième partie, une filiale de la première, serait elle, largement subventionnée par l'État. Et c'est là que peut-être on n'a pas pensé la chose à fond. Puisqu'elle serait subventionnée, elle pourrait faire une lutte peut-être pas très loyale aux autres acheteurs. De plus, elle tendrait peut-être aussi à ne pas payer assez sans se préoccuper suffisamment de la qualité sur laquelle l'autre branche fait porter son effort. Il y a ici une espèce de contradiction, plus on subventionne, plus on sape le développement possible de l'industrie.

Je ne dis pas que ce soit une mauvaise idée, c'est en tout cas, un point de départ pour une discussion éventuelle. Ce qui existe actuellement, je pense, n'est pas satisfaisant. J'imagine que ça ne remplit pas son rôle, en ce sens qu'il s'agit au fond simplement d'un dépôt plutôt que d'un service de mise en marché. J'espère qu'il y a une façon ou une autre de sortir de nos difficultés. Peut-être M. Solomon aurait-il lui-même quelques éclaircissements à nous donner là-dessus. Qu'est-ce que nous pourrions faire d'utile pour mettre au point une institution sans but lucratif pour la mise en marché et sur laquelle s'exercerait l'influence de l'artisan?

M. Solomon a fait état de la liberté d'action de cette compagnie qui serait indépendante de l'État. J'aime l'idée. Et pourtant, j'ai bien peur que si elle ne trouve pas assez de marchés elle sera subventionnée par l'État, ce qui suscite toutes sortes de difficultés. Et je ne sais si cela aura été utile.

M. Solomon: J'aime bien cette idée. Cette proposition visait à acheter directement à l'artisan, à des prix justes et raisonnables, suivant ce que nous pouvions obtenir pour ces produits. Il y aurait une certaine période de tâtonnement pendant laquelle il nous faudrait voir au juste ce qu'il en est, quelques mois, disons. Il me semble que dans ce genre de chose, il y a toujours une période de confusion. Mais, lorsque nous irions dans les différentes collectivités, nous aurions un acheteur, il aurait un territoire et il paierait, ce qui lui semble être, à ce moment-là, un prix réaliste, tenant compte de ce qui peut être obtenu sur le marché, et de ce à quoi l'artisan peut s'attendre. Il doit donc voir au juste ce qu'il en est, tout comme j'ai fait moi-même.

[*Text*]

If the craftsman chooses at any time to say to the buyer, "I do not like your prices; I will sell to somebody else", he is absolutely free to do it. The buyer could then say, "Okay, if you want to sell to somebody else and if you can double your price, that is fine. But if you want to do that all the time, then I am not going to sell you materials. I may not sell you these materials if you are going to sell your product to somebody else".

I am not saying that we would do this or that we would not. It is not likely, because usually the craftsman does not have any choice.

Mr. O'Connell: In a remote community he is not likely to have much choice.

Mr. Solomon: That is right. But the intention was that if the craftsman at any point had a chance to sell his product for even double what we could pay, that is his privilege. If we were not paying the prices, then obviously they would not sell to us, because there is no compulsion whatsoever. If Hudson Bay or a free trader or somebody else wanted to pay better prices, we would have to come up to it.

Mr. O'Connell: Mr. Chairman, could I ask Mr. Solomon another question? Would he see any possibility in developing the present craft centre into a more useful instrument? Could it be spun out a bit from the present departmental housing that it is in? Could it have a board of directors of some kind? Could it move some distance into a non-governmental area and absorb people from the industry, and get some kind of financing that might carry it on? I am not too sure of the history of Canadian Arctic Producers, but it is somewhat removed from government and yet I think it has financial support.

Could you see the present warehousing craft centre emerging as the kind of company you would like to see operating here?

Mr. Solomon: I am not sure how to deal with that question, to be honest with you. I am against this being in the hands of government, for one thing. I see it at a matter of absolute necessity to free this kind of thing, in order to deal in the marketplace effectively.

What was proposed was that we would set up an entirely new thing in Toronto, which from the point of view of those people who put together the financial and business end of it, was a more logical place since there is

[*Interpretation*]

Si l'artisan décide à un moment donné de dire à l'acheteur; «je n'aime pas tes prix, je vais vendre à quelqu'un d'autre», il est libre de le faire. L'acheteur peut alors dire: «bon, si tu veux vendre à quelqu'un d'autre, et si tu peux doubler tes prix, parfait» mais si tu veux toujours faire ça, je ne te vendrai plus les matériaux requis. «Je ne te vendrai peut-être pas ces matériaux si tu vends toujours à quelqu'un d'autre».

Je ne dis pas qu'on le ferait ou pas. Cela n'arriverait certainement pas, car habituellement, l'artisan n'a pas le choix.

M. O'Connell: Oui, dans les collectivités éloignées il n'a pas le choix.

M. Solomon: Oui, mais l'intention était que si à un moment donné l'artisan avait l'occasion de vendre ses produits le double du prix que nous pouvions payer nous-mêmes, alors, ce serait libre à lui de le faire. Si on ne payait pas le prix, ils ne nous vendraient rien, parce qu'il n'y a aucune obligation. Si la compagnie *Hudson Bay*, ou quelqu'un d'autre veut payer mieux, alors il nous faudra être au même niveau.

M. O'Connell: Monsieur le président, est-ce que je pourrais poser une autre question à M. Solomon? Est-ce qu'il voit une possibilité de faire du centre artisanal un instrument plus utile? Est-ce qu'on ne pourrait pas, disons, élaborer un peu à partir du centre tel qu'il est en ce moment? Est-ce qu'il ne pourrait pas y avoir un conseil d'administration qui pourrait, disons, sortir un peu de la sphère gouvernementale, inclure des gens de cette industrie, et obtenir un financement qui pourrait maintenir l'opération. Je ne suis pas sûr au juste de ce qu'il en est des producteurs de l'arctique canadien mais c'est quelque peu éloigné du gouvernement, et cependant, je pense qu'ils reçoivent l'appui financier du gouvernement.

Pourriez-vous concevoir le centre artisanal d'entreposage devenir éventuellement ce genre de société que vous aimeriez-avoir?

M. Solomon: Je ne sais pas trop comment répondre à cette question, pour être honnête. Je ne voudrais pas que cette organisation soit entre les mains de l'État. Il faudrait absolument qu'une organisation comme celle-ci soit libre, c'est une condition absolue si elle veut se mouvoir librement sur le marché.

La proposition voulait que nous créions une organisation absolument nouvelle à Toronto, ce qui du point de vue des gens qui mettraient de l'argent dans notre opération, était beaucoup plus logique. D'autant plus

[*Texte*]

more business done there, and there are more opportunities. There is more of a centre there than in Montreal, Winnipeg, Edmonton, or Vancouver.

Our products then would have gone by the salesmen to the Snow Goose, to other places, to all of the places. One of the essentials of a craft development is quality control, and this is what the buyer would exercise. I hope I have answered your question.

Mr. O'Connell: Yes, I think you have. I would like to ask one further question of the witness, Mr. Chairman. Would he know whether some of the leading craftsmen with whom he has been in touch have had opportunities to come out and actually look at the market in some way and see what is going on at the retailing end? Has there been any system to let them get a first-hand experience of the sort of thing that goes on in the market?

• 1210

Mr. Solomon: Thank you very much for that excellent question. Last summer it was suggested to me by friends in Ottawa that two persons should be selected from each community I was working in, Kasabonika, Webequie, Ogoki, Fort Hope and Landsdowne, and the question was asked, "What do you think of the idea of taking these ten persons out to the marketplace, show them Ottawa, show them the craft centre in Ottawa and how the thing operates, and thus get some knowledge of what it is all about". It was suggested that they be shown the operation at Curve Lake, which is an independent operation outside of government. It has, however, some government support in that they buy when the season is slack. Let these people see the marketplace in Toronto and so on. Let them get acquainted with it.

So I said, "Well I think it is an excellent suggestion." At my first opportunity I went to a colleague and I said, "I have this suggestion that it might be a good thing if I could take ten of these craft workers out of the bush and bring them down". And I said, "Could you do something about it?" He said "Where are we going to get the money?" It is another way of saying "no", and extremely effective.

Mr. O'Connell: I am finished.

The Chairman: I think Mr. Thomson has a question.

Mr. Thomson (Battleford-Kindersley): First, Mr. Chairman, how long does this sitting go on?

[*Interprétation*]

que c'est là où se fait le plus d'affaires en ce domaine. Plus qu'à Montréal, Winnipeg, Edmonton ou Vancouver.

Nous aurions vendu des objets, par exemple à des établissements comme le «Snow Goose». L'essentiel pour faire progresser l'artisanat c'est de contrôler la qualité et c'est le rôle de l'acheteur. J'ai répondu à votre question. J'espère M. O'Connell.

M. O'Connell: Oui, je pense et je voudrais poser, monsieur le président, si vous le permettez une autre question au témoin. Est-ce que le témoin sait si certains des artisans les mieux connus, avec lesquels il a traité, ont eu des occasions de jeter un coup d'œil sur le marché pour voir ce qui se passe au niveau, par exemple du commerce de détail. Est-ce qu'on leur a permis de se faire une idée personnelle de ce qu'est le marché?

M. Solomon: Merci beaucoup de cette excellente question. L'été dernier, des amis à Ottawa m'ont dit qu'il serait peut être bon de faire venir des personnes des endroits où je travaillais, Kasabonika, Webequie, Ogoki, Fort Hope et Lansdowne. La question fut posée «Que pensez-vous de l'idée de faire venir ici à Ottawa, dix personnes pour leur montrer le marché, leur montrer Ottawa, leur montrer le centre artisanal d'Ottawa, leur montrer à peu près comment les choses se passent». On a proposé de leur montrer ce qui se passe à Curve Lake une exploitation indépendante qui est appuyé par l'État, en ce sens que l'État achète durant la morte saison, mais qui est quand même autonome. Qu'on leur permette aussi de voir Toronto pour se mettre au courant des possibilités du marché.

J'ai donc dit: «Cette idée était excellente.» Je suis allé voir un de mes collègues et je lui ai dit: «on m'a proposé qu'il serait peut-être bon que je prenne une dizaine de ces Indiens pour les amener en ville. Je lui ai demandé s'il pouvait faire quelque chose. Il m'a répondu: «Où allons-nous trouver l'argent?» C'est une autre façon de dire non, mais une façon très efficace.

M. O'Connell: J'ai terminé.

Le président: M. Thomson a une question.

M. Thomson: Combien de temps va durer cette séance?

[*Text*]

The Chairman: We will go on to at least 12:30, and perhaps longer.

Mr. Thomson (Battleford-Kindersley): Are we expected to hear and interview these other people?

The Chairman: Mrs. Houston is not scheduled for today, but if you have some direct questions concerning CAP, she indicates she would be prepared to answer them.

Mr. Thomson (Battleford-Kindersley): That is fine. I just wondered whether we had to hear another witness.

The Chairman: The Department has two people here today who are prepared to answer questions concerning the industry sections that deal with the problems Mr. Solomon has raised.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I saw a store at La Ronge run by an Indian co-operative, as I understand it. It was a Sunday and I did not get a chance to go in. But I would have liked to have gone in particularly in view of this line of questioning and the argument that is presented here. To start with, where is this craft centre in Ottawa?

Mr. Solomon: It is at 290 Palace Street. That is in Eastview (Vanier City).

Mr. Thomson (Battleford-Kindersley): In reference to provoking ideas or getting people to become involved in crafts, do you find that they have a prevalence or a surplus of ideas on their own, these people who produce the crafts? Or does someone have to introduce it? Is there a bubbling over of ideas?

Mr. Solomon: Well, not necessarily. Ideas are generated according to—for instance the kind of work that you saw this morning. I bring these things in; they are my own and I can do as I please with them. It is true of craftsmen and artists everywhere, that they are stimulated into creativity by the things they see and the needs that go with them.

Mr. Thomson (Battleford-Kindersley): A further question with reference to marketing. Of the items that you passed around—and there were some things in particular that appealed to me, for example the nut bowl and a pair of house slippers—I can see myself buying these two items on the spot without any further consideration.

What I am saying is that beauty is in the eyes of the beholder, or appeal, if you will. I can see where those who produce the crafts

[*Interpretation*]

Le président: Jusqu'à 12 h 30 au moins.

M. Thomson (Battleford-Kindersley): Est-ce que nous sommes censés entendre ces autres personnes ce matin?

Le président: Madame Houston ne doit pas comparaître aujourd'hui. Toutefois, si vous avez des questions directes à poser en ce qui concerne la CAP, elle sera disposée à répondre.

M. Thomson (Battleford-Kindersley): Parfait, je comprends. Je me demandais si nous allions entendre d'autres témoins.

Le président: On a ici deux personnes du ministère qui sont disposées à répondre à vos questions en ce qui concerne les secteurs industriels touchés par les problèmes dont parle M. Solomon.

M. Thomson (Battleford-Kindersley): Monsieur le président, j'ai vu un magasin à La Ronge qui est un centre de co-opérative. C'était un dimanche, et je n'ai pas pu y pénétrer. Mais j'aurais voulu le faire vus les questions et l'argument qu'on me présente ici. Où est ce centre artisanal à Ottawa?

M. Solomon: 290, rue Palace à Vanier.

M. Thomson (Battleford Kindersley): Lorsqu'il s'agit d'encourager ces gens à faire de l'artisanat, est-ce que vous trouvez qu'ils ont beaucoup d'idées, de l'imagination? Ou est-ce que quelqu'un doit leur donner des idées? Y a-t-il une effervescence d'idées?

M. Solomon: Pas nécessairement. Les idées viennent, par exemple, vous voyez le genre d'objets que j'ai apporté ce matin. J'apporte ces objets qui m'appartiennent et je peux en faire ce que je veux. Tous les artisans et artistes sont encouragés à la production créatrice par ce qu'ils voient et les besoins qui existent.

M. Thomson (Battleford-Kindersley): Une autre question pour ce qui est de la commercialisation des objets que vous avez fait circuler ce matin. Certains objets me plaisaient énormément, notamment le bol pour les amandes, la paire de pantoufles. Je me verrais facilement les acheter à l'instant.

Autrement dit, la beauté de ces objets, leur attrait dépend de celui qui les regarde. Je comprends que ceux qui les produisent n'ont

[*Texte*]

may not necessarily have the same idea as the person who wishes to purchase, and there has to be some resolving of—I can see this conflict of interests, at any rate. You produce something which is nice, but which no one wants. I would think there should be some guidance given here to the people who produce these items.

Mr. Solomon: Well, that is where the buyer comes in. As soon as he finds out no one wants this kind of thing on the market, it is up to him not to buy it. That is where it stops.

Mr. Thomson (Battleford-Kindersley): I

• 1215

take it that you rather object to any government intervention in this type of action. Is this true?

Mr. Solomon: Certainly.

Mr. Thomson (Battleford-Kindersley): You are suggesting a co-operative?

Mr. Solomon: I am not suggesting a co-operative, not necessarily, but an organization that will facilitate the selling of the work of the craftsman in the marketplace and facilitate his personal growth.

Mr. Thomson (Battleford-Kindersley): Has the government made any effort in the past to involve itself in this area?

Mr. Solomon: As far as I am aware, all through the past there has been only this craft centre, and this has become more useful only in the last two or three years. Before that it was almost a dead issue, as far as I am concerned.

Mr. Thomson (Battleford-Kindersley): I have purchased some crafts in Saskatchewan on a relatively minor scale. I have one further question, Mr. Chairman. I have a friend in Saskatchewan, an Indian who paints pictures. I ordered some in advance, and I paid a deposit in advance. Do you have any problem in getting delivery on this type of thing? I have not received my pictures yet, and I wanted six.

Mr. Solomon: Sure, we have that kind of problem.

Mr. Thomson (Battleford-Kindersley): I just wondered what the situation was generally, not relating it to any one individual. This chap is quite a good artist, but a little bit slow. So I wondered what your viewpoint was on this.

[*Interprétation*]

peut être pas les mêmes idées que l'acheteur; il faut donc essayer de résoudre ce conflit d'intérêt qui pourrait se présenter. Il est possible de faire quelque chose de très joli, mais que personne ne veut acheter. Il faudrait donner une certaine orientation aux personnes qui les produise.

M. Solomon: C'est là le rôle de l'acheteur. S'il constate que personne ne veut acheter tel article, c'est à lui dene pas l'acheter et tout s'arrête là.

M. Thomson (Battleford-Kindersley): Je pense que vous vous opposez à ce qu'il y ait une intervention de la part du gouvernement dans ce genre de mesure. Est-ce exact?

M. Solomon: C'est exact.

M. Thomson (Battleford-Kindersley): Vous proposez donc qu'on établisse une co-opérative?

M. Solomon: Non, pas nécessairement une co-opérative, mais un genre de structure qui facilitera la vente des objets de l'artisanat sur la place du marché et lui permette d'étendre son commerce.

M. Thomson (Battleford-Kindersley): Est-ce que le gouvernement a tenté par le passé, d'y participer?

M. Solomon: Pour autant que je sache, il n'y a eu que ce centre d'artisanat, et il n'est devenu utile que depuis deux ou trois ans. Avant c'était pratiquement au point mort.

M. Thomson (Battleford-Kindersley): J'ai déjà acheté certains objets d'artisanat en Saskatchewan. Une autre question, monsieur le président. J'ai un ami en Saskatchewan, un Indien qui fait de la peinture. J'en ai commandé et lui ai versé des arbres. Est-ce que vous éprouvez des difficultés à obtenir livraison? Je n'ai pas encore retenu mes tableaux et j'en avais commandé six.

M. Solomon: Nous avons certainement des problèmes de ce genre.

M. Thomson (Battleford-Kindersley): Je me demandais simplement ce qu'il en était. Non pas pour ce qui est d'une personne, car c'est un excellent artiste, mais un peu lent. Je me demandais ce que vous en pensiez.

[*Text*]

Mr. Solomon: That is one of the problems and one of the reasons why it is better to deal directly for cash.

Mr. Thomson (Battleford-Kindersley): After he has done them?

Mr. Solomon: After he has done them.

Mr. Thomson (Battleford-Kindersley): I see.

Mr. Solomon: Very often this happens. You have lost out personally perhaps, and you may never get your pictures, and that means you lose your money. Multiply that by many thousands of times, not the fact that someone has lost money, but the fact that you wanted the pictures. It is the same as someone who wants an article from a particular craftsman. Even if he has the name of the craftsman and his place of residence and so on, it still rarely works that he can get a satisfactory arrangement between himself and the craftsman.

Mr. Thomson (Battleford-Kindersley): In this sense, you do not think that they could work on consignment? Do you think ordering ahead and giving a deposit works at all?

Mr. Solomon: You could, I suppose, as individuals. I know we have lost money now and again.

Mr. Thomson (Battleford-Kindersley): I am finished.

The Chairman: Mr. Solomon, I have a couple of questions. It would seem to me from the outline of your ideal organization that Canadian Arctic Producers Ltd. fits the bill fairly well. They are not directly controlled by the government; they do have some support from the government financially and I understand there is more on the way. What is your objection to dealing with Canadian Arctic Producers? They have merchandising experience. I understand they purchase articles on consignment and they have quality control for some Eskimo products. Could you see Canadian Arctic Producers developing in a way where they might have an Eskimo division and an Indian division?

Mr. Solomon: No, I cannot see that and I would not want to see it.

The Chairman: Why?

Mr. Solomon: This is difficult to articulate, and it seems to be for many people. Mr. Laing, when he was Minister, wanted to get this kind of fusion, but it has been bucked all along the way. And as far as I am con-

[*Interpretation*]

M. Solomon: C'est un problème, c'est une des raisons pour laquelle je trouve qu'il est préférable d'acheter comptant.

M. Thomson (Battleford-Kindersley): Une fois que l'œuvre est terminée?

M. Solomon: Oui.

M. Thomson (Battleford-Kindersley): Je vois.

M. Solomon: Cela se produit assez souvent. Il est possible que vous avez subi une perte, vous n'avez pas eu vos tableaux, alors vous perdez votre argent. Si vous le multipliez par des milliers de fois, pas simplement le fait que vous ayez perdu de l'argent, mais le fait que vous vouliez le tableau, tout comme quelqu'un d'autre veut un article d'artisanat, d'un artisan en particulier. Même si vous avez le nom de cet artisan et son adresse, et ainsi de suite, il est rare que l'on puisse conclure une entente satisfaisante avec lui.

M. Thomson (Battleford-Kindersley): Vous ne croyez pas qu'ils pourraient accepter des commandes? Vous ne croyez pas que le système des commandes et des arrhes puisse fonctionner?

M. Solomon: Tout dépend de la personne, mais je sais que nous avons perdu de l'argent à l'occasion.

M. Thomson (Battleford-Kindersley): C'est tout, monsieur le président.

Le président: J'aurais quelques questions à poser? Il me semble d'après votre présentation de l'organisation idéale que la *Canadian Artist Producers Ltd.* remplit toutes les conditions. Elle n'est pas directement contrôlée par l'État, mais ils reçoivent son appui financier. Pourquoi vous opposez-vous à avoir affaire à la CAP? Ils ont de l'expérience en commercialisation, et si je comprends bien, ils procèdent par commandes placées à l'avance et exercent certains contrôles de la qualité pour les produits esquimaux. Est-ce que vous prévoyez que la CAP pourrait un jour avoir un service pour les Esquimaux et un service pour les Indiens.

M. Solomon: Je ne le prévois pas et je ne voudrais pas que cela se produise.

Le président: Pourquoi?

M. Solomon: C'est assez difficile à mettre sur pied. Monsieur Laing, lorsqu'il était ministre, a voulu procéder à cette fusion mais on s'y est opposé de toutes parts. Et selon moi, on ne devrait jamais le faire. Il faudrait

[*Texte*]

cerned it should never be. Canadian Arctic Producers should be left alone to do their work. They should be helped to do a better job of what they are doing already before they even think of looking to the immediate needs of Indian people. These are immediate needs.

The Chairman: But if there is no other organization immediately available, would it not be better to deal with something that is already set up than to try to set up another organization that might take two or three years to get moving?

Mr. Solomon: First of all, I do not think they have the room to do it anyway. And I do not see why it should take two or three years to get something like this moving. It is a matter of the people in places of power and influence doing something about these things if they are worth doing. I think we can move fairly quickly if we have to, and if we want to.

We are concerned with regional development; we are concerned with poverty throughout the country. Surely we should start to meet those needs immediately, or at least we should make an attempt.

• 1220

The Chairman: Well, I want to get to the root of your objection to using Canadian Arctic Producers. There must be a reason for your objection that you have not expressed. We are here to find out. If you have objections, we would like to hear them.

Mr. Solomon: I have already said that they should be allowed to go ahead and be helped in doing a better job of what they are already doing; and I do not see any reason for their taking on this additional work when apparently their facilities are already taxed right to the limit. They have been in a tremendous turmoil in the last two years, or at least since they have begun, in trying to get enough space in which to work, and in many other things.

The Chairman: In effect, what you are saying is that your experience with Canadian Arctic Producers and your analysis of their operations to date do not encourage you to hope that they could deal effectively with the merchandising of Indian crafts. Is that right?

Mr. Solomon: However you put it, they are already over-burdened. Why should we impose another burden on them? Indian crafts and Eskimo crafts are two entirely different things, although they are both

[*Interprétation*]

laisser CAP faire son travail et essayer de leur faciliter le travail qu'ils font actuellement avant même de songer à voir aux besoins immédiats des Indiens. Ce sont là des besoins immédiats.

Le président: Mais s'il n'y a pas d'autres organisations disponibles, est-ce qu'il ne serait pas préférable d'avoir recours au service déjà en place plutôt que de mettre sur pied une autre organisation qui pourrait prendre deux ou trois ans avant de démarrer?

M. Solomon: Je ne crois qu'il soit possible de le faire. Et je ne vois pas pourquoi il faudrait deux ou trois ans pour faire démarrer une telle organisation. Tout dépend des personnes en place qui pourront user de leurs pouvoirs et de leur influence pour faire quelque chose s'ils jugent qu'il y a lieu. Je pense que l'on peut progresser assez rapidement, si nous le voulons.

Nous nous préoccupons du développement régional, de la pauvreté dans tout le pays. Nous devrions sûrement commencer à satisfaire ces besoins immédiatement, ou du moins essayer de le faire.

Le président: Je voudrais aller au fond de votre opposition à ce qu'on ait recours à la CAP. Vous devez avoir des raisons que vous n'avez pas données. Si vous avez des objections, nous aimerions bien les connaître.

M. Solomon: J'ai déjà dit qu'on devrait permettre à la Canadian Arctic Producers de continuer dans le même sens en améliorant son travail. Je ne vois vraiment pas pourquoi on lui imposerait ce fardeau supplémentaire à un moment où ses facilités de travail sont déjà insuffisantes. Depuis le début, c'est-à-dire depuis deux ans au moins, la CAP a eu énormément de mal à trouver de l'espace, des locaux, etc.

Le président: Bref, autant que vous le sachiez, la CAP, d'après l'analyse que vous en avez faite, ne travaille pas de façon telle qu'elle puisse espérer s'occuper de la commercialisation des objets d'artisanat indiens. N'est-ce pas?

M. Solomon: Si j'ai bien compris, le fardeau de la CAP est trop lourd; pourquoi alors augmenter le poids de ce fardeau? L'art esquimau et l'art indien sont très très différents. Évidemment, ce sont des objets d'arti-

[*Text*]

handcrafted, there is no question about it, and have many similarities.

The Chairman: Thank you. Mr. St-Pierre?

Mr. St-Pierre: Could the witness tell us the essential difference between the merchandising of Eskimo and Indian crafts?

Mr. Solomon: Thank you very much for your question.

Mr. St-Pierre: In terms of merchandising?

Mr. Solomon: This question, I think, can best be answered by the fact that if you are selling Eskimo carvings, and so on, you should know what you are talking about. This is a very essential matter when you come to sell to people. Very often you sell them a great deal more by being able to tell them what it is all about.

Mr. St-Pierre: This is simply a matter of buyer knowledge. Is there no other difference?

Mr. Solomon: I do not see that there is a great deal of difference. I have not been able to go into this kind of thing.

Mr. St-Pierre: I am still puzzled, Mr. Chairman, about why the witness feels so very strongly that Canadian Arctic producers cannot do the job. If their facilities are overtaxed they would presumably have to be extended. On the other hand, if a new company is set up to deal with Indians they would have to find facilities. In the long run, the amount of facility will have to be brought up to whatever the requirement is.

The witness seems to feel very strongly that Canadian Arctic Producers cannot do the job, but he has not explained to me why.

Mr. Solomon: I would like very much to have you ask that same question of Mrs. Houston and Bruce Pearson when you have the opportunity.

Mr. St-Pierre: Yes; but you are our witness at the moment. You are in the business, on behalf of the government, of selling Indian crafts. You have had some difficulties, and here is a government organization which you would prefer not to have assisting you. I am very anxious to know what are your reasons.

Mr. Solomon: I am afraid I lost that question. If you want the answer to why I object so strongly to this kind of thing, it is, as I stated, that these are the people of the business and it should be returned to the people.

[*Interpretation*]

sanat dans les deux cas, faits à la main, il y a des analogies, mais il sne sont pas du tout pareils.

Le président: Merci. Monsieur St-Pierre?

M. St-Pierre: Quelle est la différence essentielle entre la commercialisation de l'art indien et de l'art esquimau?

M. Solomon: Je vous remercie d'avoir posé cette question.

M. St-Pierre: Du point de vue de la commercialisation?

M. Solomon: La meilleure façon de répondre à cette question, c'est de souligner le fait que, si on vend des sculptures esquimaudes, etc., on devrait savoir ce dont on parle. C'est un élément essentiel lorsqu'on doit vendre un article. Il arrive que l'on puisse activer la vente lorsqu'on peut expliquer de quoi il s'agit.

M. St-Pierre: Il s'agit simplement ici des connaissances de l'acheteur. Mais est-ce qu'il n'y a pas d'autres différences?

M. Solomon: Je ne crois pas. Mais je n'ai pas pu, évidemment, me renseigner à fond sur cette question.

M. St-Pierre: Je ne vois encore pas très bien monsieur le président, pourquoi le témoin s'oppose tellement à l'intervention éventuelle de la CAP. Si les moyens mis à la disposition de la CAP ne suffisent pas, il faudra peut-être leur en donner de nouveaux. D'autre part, si on constituait une nouvelle compagnie pour s'occuper des Indiens, il faudrait mettre à leur disposition de nouveaux moyens pour les mettre à la hauteur des exigences. J'ai l'impression que le témoin est persuadé que la Canadian Arctic Producers ne peut pas faire le travail, mais il n'a pas très bien expliqué pourquoi.

M. Solomon: Je voudrais bien que vous posiez la même question à M^me^ Houston et à Bruce Pearson lorsque vous aurez l'occasion de le faire.

M. St-Pierre: Oui, mais c'est vous qui êtes le témoin actuellement. Vous devez vendre, pour le compte du gouvernement, des objects d'artisanat indiens. Vous avez eu des difficultés, mais vous ne voulez pas bénéficier du concours d'une autre organisation de l'État. Je suis très curieux de savoir pourquoi.

M. Solomon: Je n'ai pas très bien saisi votre question. Si vous voulez la réponse, si vous voulez savoir pourquoi je m'y oppose si vigoureusement, c'est que c'est une affaire qui appartient au peuple et il faudra que ce

[*Texte*]

It is the business of the people and not the business of government, first of all.

To set up a separate company to deal exclusively with Indian crafts is no different, it seems to me, from setting up Northern Electric and General Electric, and so on, to deal with specific kinds of things.

Mr. St-Pierre: Perhaps this should also be done for the Eskimos, then rather than having them deal through CAP—Canadian Arctic Producers.

Mr. Solomon: At the moment they have Canadian Arctic Producers.

Mr. St-Pierre: Yes; but if it is not good for the Indians why should it be good for the Eskimos?

Mr. Solomon: No one has said that it is good for the Eskimos. Actually, there is a great deal of discontent with it, as far as I am aware.

Mr. St-Pierre: Then, fundamentally, you feel that CAP cannot serve Indians or Eskimos as well as could another type of organization?

• 1225

Mr. Solomon: I do not want to be led into that kind of thing. CAP is CAP, and it is doing a job. That, as far as I am concerned, is where it ends. Whether it is satisfactory or not, I have not been directly concerned.

My dissatisfaction with having this thing in government, in Indian Affairs, is that many shopkeepers around the country, especially in Toronto, disagree with the buying and everything else about this craft centre.

Mr. St-Pierre: Can you expand on that for us? I am aware of the dissatisfaction.

Mr. Solomon: There is a Miss Margaret MacLean who has a shop on Yonge Street, *Canadian Crafts*, and she has said that there is not a more useless outfit than that craft centre. She will not do business with it, so far as I know—and this was just last January.

Mr. St-Pierre: Why?

Mr. Solomon: I do not know. She did not have time to explain what her reasons were. First of all, she objects very strongly to the woman who runs it, as being a very inept person.

[*Interprétation*]

soit le peuple qui s'en occupe. Il faudra que ce soit confié à des organismes qui ne sont pas des organismes de l'État.

Créer une compagnie pour s'occuper exclusivement des affaires indiennes n'est pas tellement différent, par exemple, que créer des compagnies comme Northern Electric, General Electric, etc. qui doivent s'occuper de certains domaines bien précis.

M. St-Pierre: Est-ce que les Esquimaux ne pourraient pas s'occuper de leurs propres affaires, plutôt que travailler par l'entremise de la CAP, la Canadian Arctic Producers?

M. Solomon: Mais la CAP existe déjà.

M. St-Pierre: Mais si ce n'est pas bon pour les Indiens, pourquoi est-ce que ce serait bon pour les Esquimaux?

M. Solomon: Mais il n'est pas sûr que ce soit bon pour les Esquimaux. A vrai dire, il y a beaucoup de mécontentement à ce sujet, pour autant que je sache.

M. St-Pierre: Alors, si je vous ai bien compris, ni la CAP, ni une autre organisation ne saurait, selon vous, servir les Indiens, ni les Esquimaux?

M. Solomon: Je ne veux pas me laisser entraîner sur ce terrain. La CAP est la CAP, et elle exerce ses fonctions. Pour moi, ça s'arrête là. Je ne sais pas si elle travaille d'une façon très satisfaisante. Je n'ai jamais été mis directement en cause.

Ce qui me déplaît en ce qui concerne l'idée de confier cela au gouvernement, au ministère des Affaires indiennes, c'est qu'il y a beaucoup de boutiquiers, à Toronto, par exemple, qui sont opposés à l'action de ce centre d'artisanat.

M. St-Pierre: Au sujet de ce mécontentement, pourriez-vous nous donner d'autres détails.

M. Solomon: M[lle] Margaret MacLean a une boutique, rue Yonge, appelée Canadian Crafts. Selon elle, ce centre d'artisanat est absolument inutile. Elle se refuse à traiter avec lui et cela remonte, si je ne m'abuse, au mois de janvier dernier.

M. St-Pierre: Mais pourquoi?

M. Solomon: Je ne sais pas. Elle n'a pas eu le temps de s'expliquer, mais d'abord, disons qu'elle est très hostile à la dame qui s'occupe de l'affaire. Pour elle, cette personne est absolument inepte.

[*Text*]

Mr. St-Pierre: Thank you, Mr. Chairman.

The Chairman: Are there any further questions? Mr. Simpson?

Mr. Simpson: I have questions, but Mr. O'Connell has a statement he would like to make.

Mr. O'Connell: Mr. Simpson has kindly agreed that I might correct what may have been a false impression I left in talking about subsidies in terms of the proposals that have recently been made to Mr. Solomon's group.

I certainly feel that any kind of organization that develops will be in the area of subsidies for some time, but I consider this a developmental approach. I would draw a distinction between government control, or a government agency, which Mr. Solomon is objecting to, and some other kind of agency which might, nonetheless, require government subsidy.

I do not know whether Mr. Solomon is objecting to subsidy, or to a government agency, and I thought it would only be right to say that, as in CAP, which has to be subsidized—and possibly they will work their way out of that—I would see a need for subsidy for some time. I do not think it has injured CAP. In fact, I would say it is an underlying support. I hope Mr. Soloman would not extend his distaste for government activity to the extent of perhaps denying the role of developmental subsidies.

Thank you, Mr. Simpson.

The Chairman: Mr. Simpson?

Mr. Simpson: Getting back to the craft centre, Mr. Chairman, I would like to ask Mr. Solomon whether the craft centre retails to the public as well as to private craft shops?

Mr. Solomon: So far as I am aware, there are about 400 dealers across Canada who buy from the craft centre. She does not sell otherwise to individuals, as far as I know.

Mr. Simpson: They do not actually retail?

Mr. Solomon: Perhaps to parliamentary wives, or something, like the couple they had last year.

Mr. Simpson: This is something I do not know about, and coming from an area with so much Indian handicraft attached to it possibly I am the one at fault for not knowing more about the crafts centre.

[*Interpretation*]

M. St-Pierre: Merci, monsieur le président.

Le président: Est-ce qu'il y a d'autres questions? Monsieur Simpson?

M. Simpson: J'ai des questions à poser, mais je crois que M. O'Connell a une déclaration à faire.

M. O'Connell: Je pense qu'on pourra me permettre de dissiper une fausse impression en ce qui concerne les subventions. Je songe ici, par exemple, aux propositions faites par le groupe de M. Solomon.

Pour moi, je suis persuadé qu'une organisation éventuellement mise sur pied sera subventionnée pour un certain temps. Je fais ici une distinction entre le contrôle gouvernemental, ou un organisme gouvernemental, auquel s'oppose M. Solomon, et un autre genre d'organisme qui n'aurait pas moins besoin de subventions.

Je ne sais pas si M. Solomon s'oppose aux subventions, ou à la création d'un organisme d'État, mais il faut faire une distinction entre ce qui est subventionné et ce qui appartient à l'État. La CAP, par exemple, reçoit des subventions, et il est très possible qu'elle n'ait pas à être subventionnée un jour. Mais le fait que la CAP ait touché jusqu'ici des subventions ne lui a fait aucun mal. Au contraire, cela a dû lui aider. J'espère que M. Solomon ne s'oppose pas au moins à ce que le gouvernement subventionne une institution comme celle à laquelle il pense. Merci, monsieur Simpson.

Le président: Monsieur Simpson?

M. Simpson: Pour en revenir au centre d'artisanat, monsieur le président, je voudrais demander à M. Solomon si le centre vend au détail au public, et aux boutiques d'artisanat?

M. Solomon: Pour autant que je sache, il y a quatre cents vendeurs, au Canada, qui achètent du Centre d'artisanat. On ne vend pas aux simples particuliers, pour autant que je sache.

M. Simpson: On ne fait pas la vente au détail?

M. Solomon: Peut-être aux femmes des députés, comme l'année dernière.

M. Simpson: Je n'en sais rien. Venant d'une région où il y a tellement d'artisanat indien, je suis peut-être responsable du fait que je ne sois pas mieux renseigné quant au Centre d'artisanat.

[*Texte*]

However, you mentioned a moment ago the cloth that is used in mukluks. I do not recall the name of it. You talked of this material and the beads that the Indian people naturally need for these handicrafts.

Did you or did you not, say that the program in which you are now involved allows you to have these items on hand for the craftsmen?

Mr. Solomon: No; I buy from the crafts centre in a very limited amount. Because it has been so uncertain all the way through I have deliberately dragged my feet in this kind of thing so that I would not get too far ahead of the craftmen; I was always behind their needs. By doing that I would not have a great pile of materials and goods to carry around, as a kind of storekeeper. I did, however, buy from the crafts centre, and I have an order with it now for beads and hides. I sell this to the craftsmen for what it costs from the crafts centre.

• 1230

Mr. Simpson: Can these materials be bought by you at places other than the crafts centre? Can they not be bought from wholesalers, or factories?

Mr. Solomon: In the case of some of the materials, I have bought them as an individual out of my pocket and then resold them for whatever I paid for them. That would be possible on an expanded scale, but I do not see it being very practical, from the work I have done up to this point.

Mr. Simpson: I understand.

Mr. Solomon: If I were sure that I could deal from one day to the next, then I could think differently, I could act differently.

Mr. Simpson: Well, again I am not being critical. I am hoping that sometime this Committee will have time to hold a good discussion on this, to see what ideas we could come up with that might be helpful. You also mentioned that if you were taking materials into any one of the communities where they are making these handicrafts, and you found that a person wanted to buy from you and yet was anxious to sell to some other person at a better price, this is fine. Do you think that if a new system is devised, in that system there could be a place for an agency of the government, so that these materials are turned over to the Indian craftsmen regardless of who they may sell to, the underlying idea

[*Interprétation*]

Mais vous parliez, il y a quelques instants, de ces tissus qu'on utilise pour la fabrication des mulnluhs. Je ne me souviens pas du nom de ces tissus, mais enfin, vous parliez de ces tissus et des perles que les Indiens doivent se procurer pour faire ces objets d'artisanat.

Est-ce que vous avez dit vraiment que le programme auquel vous participez maintenant vous permet d'avoir ces choses pour les mettre à la disposition des artisans?

M. Solomon: Non. J'achète du centre d'artisanat en petites quantités, et vu qu'il y a eu une telle incertitude depuis le début, j'ai plutôt hésité, parce que je devais toujours attendre les besoins des artisans. Donc, je n'avais jamais tellement de matériaux en disponibilité, mais je pouvais acheter du centre d'artisanat. J'ai placé une commande auprès du centre d'artisanat pour obtenir ces tissus et ces perles que je vends par la suite aux artisans suivant le prix coûtant.

M. Simpson: Est-ce qu'il n'y a pas d'autres endroits où on pourrait acheter ces matériaux? Vous ne pouvez pas les acheter auprès des grossistes ou des manufacturiers?

M. Solomon: Pour ce qui est de certains matériaux, je les ai achetés en tant que particulier, et ensuite revendus suivant le prix que j'avais payé. Cela pourrait toujours être possible, à une grande échelle, mais ce n'est pas tellement pratique pour ce qui est du genre de travail que j'ai fait jusqu'ici.

M. Simpson: Je vois.

M. Solomon: Si j'étais sûr de pouvoir, d'un jour à l'autre, toujours faire ces ventes alors, je pourrais penser de façon différente, dans un autre contexte.

M. Simpson: Une fois de plus, je n'essaie pas de faire une critique, mais j'espère que ce Comité, à un moment donné, aura le temps voulu pour étudier vraiment la situation, afin de voir quelles suggestions nous pourrions faire pour vous aider. Mais, vous avez aussi parlé du fait que, si vous apportiez des matériaux dans ces collectivités, où on fabrique ces objets d'artisanat, que vous trouviez, disons, une personne voulant acheter des choses que vous aviez et désirant, disons, revendre à quelqu'un d'autre à un meilleur prix. C'est très bien. Mais ne croyez-vous pas, ou croyez-vous plutôt que, si on avait un nouveau système que dans un tel cadre, il y aurait possibilité de voir une agence du gou-

[*Text*]

being to maintain the idea of crafts among the Indian people?

What I am trying to get at is that when our Committee is thinking it over if we did come up with an acceptable suggestion on how your work could be assisted in your desire to help the Indian people, would we be wrong in trying to consider assistance to provide these materials for the Indian people without any strings attached as to who they sold to?

I think that this would encourage more Indian people to continue with the handicraft arts.

Mr. Solomon: I do not see any objection to that whatsoever. But I would like to outline what I would like to do in this particular area. As it is, I am tied down to one very small area, two communities, which I had said I wanted to specialize in for a limited time. But I also wanted to expand to four other communities so that they could begin thinking about developing new ideas and coming up to the standard and quality which I would insist on before I would buy from them. Given this preliminary kind of thing so that we do not go ahead and do the same stupid things that we did before, I would like to train somebody to take my place as quickly as possible in the community, and if necessary bring in somebody from another community who would act directly as a buyer. Then I could move on to another area. I am pinned down in one little area, and I cannot do very much.

If I am able to go ahead for the next six months, this kind of thing should show all the directions necessary about how this kind of operation should be.

Mr. Simpson: One further question. Do you find that in the field of mukluks, jackets, and other moosehide materials, there is a decrease in the availability of hides? Are they starting now to use, as they are in some places in my area, domestic hides instead of bushland hides?

Mr. Solomon: There seems to be quite a revival of this kind of thing, and there was a proposal to make jackets and mitts and all that sort of thing in the Fort William agency. And I asked where they were going to get all the hides, because this year the Ontario Department of Lands and Forests decided there will be fewer deer and fewer moose

[*Interpretation*]

vernement, distribuer ce matériel à l'artisan quel que soit son débouché pour écouler ses produits, mais simplement pour maintenir cette idée d'artisanat auprès des Indiens?

Enfin, ce à quoi je veux en venir, ce à quoi songe notre Comité, si, disons, nous en arrivions à mettre au point une suggestion acceptable quant à la façon de seconder votre travail et, du fait que vous voulez vraiment aider les Indiens, est-ce que nous nous tromperions, disons, si nous songions à aider à ce que ces matériaux soient fournis aux Indiens, sans qu'ils ne soient liés quant à la vente de leurs objets d'artisanat? Ne croyez-vous pas que cela encouragera un plus grand nombre de personnes à maintenir cet artisanat?

M. Solomon: Je ne vois pas d'opposition à cela, mais, seulement, je voudrais expliquer si l'on veut bien me donner un instant pour le faire, ce que je voudrais faire à cet égard. Maintenant, je suis engagé dans un secteur restreint: deux collectivités. Je voulais me spécialiser, pour un temps plutôt limité, mais je voulais aussi prendre de l'expansion dans quatre autres collectivités pour qu'ils puissent commencer à songer, disons, à mettre au point de nouvelles idées et s'établir un niveau de qualité, sur lequel j'insiste, avant de leur acheter des produits afin de ne pas recommencer les mêmes erreurs que nous avons commises par le passé.

Il faudrait former quelqu'un qui puisse me remplacer le plus tôt possible dans ces collectivités. S'il le faut, amener quelqu'un d'une autre collectivité qui pourrait agir indirectement en tant qu'acheteur et, alors, je pourrais aller dans un autre secteur. Je dois agir dans un très petit secteur sinon je ne peux pas faire grand chose.

Si je peux continuer mon travail au cours des prochains six mois on devrait voir l'orientation voulue pour le type d'opération que nous devrions avoir.

M. Simpson: Une autre question, s'il vous plaît. Trouvez-vous que, pour les mocassins, les vestes en peau d'orignal, trouvez-vous que la disponibilité des peaux diminue ou qu'on utilise maintenant, comme on le fait dans ma région, des peaux d'animaux domestiques plutôt que la peau d'un animal de la forêt?

M. Solomon: Ces genres de choses semblent reprendre. On a songé à faire de telles vestes à l'agence de Fort William. Je leur ai demandé où ils prendraient toutes les peaux? Car le ministère des Terres et Forêts de l'Ontario a décidé qu'il n'y aurait que 1235 orignaux et chevreuils qui pourraient être tués, et seulement quelques peaux leur parvien-

[*Texte*]

• 1235

that can be shot, and only a few of those hides come in. We could have a great deal more hides if there was a hide collection program established. There is a kind of informal system now that does bring in some hides. But as I see it, there will be fewer and fewer hides, and there is a need to develop new ideas.

This is exactly what I have been able to do, to a very limited extent. This is the kind of thing that should happen, that we develop new ideas which are acceptable in the marketplace, and that is the only criteria. There would be less need of materials, and this is exactly what has happened with the whalebone in the Arctic, and those are excellent pieces of work.

We must go on to other new ideas, because this is not a static kind of thing.

Mr. Simpson: Do you notice any marked decline in the desire of the native people in these particular areas to continue on with their native handicrafts? What I am getting at is that in the communities I go into, I seem to see fewer women actually doing mukluk work, bead work, and things of that nature. They say the younger ones are not quite as interested as were the older generation. We see that happen.

Mr. Solomon: It is happening, but there is a good and logical reason, and every craftsman must have a good logical reason for producing crafts. If he cannot sell it, obviously he has got to have some reason for making it, for himself or for his neighbours, to trade with them or whatever. If there are not good logical reasons, they will not produce.

If it means bringing money to them and a better income, that is a good logical reason. That is all they need, and that is the whole thing that it hinges on.

The Chairman: Thank you very much, Mr. Solomon, for a very interesting presentation. We will now call upon either Mr. Churchman or Mr. Vokes. I will leave it to you gentlemen to decide, but I have some questions on what the Department is doing about arts and crafts and the industrial division of this Department of Indian Affairs and Northern Development, whichever of your gentlemen wish to testify.

Mr. St. Pierre: May I ask a question, Mr. Chairman?

The Chairman: Yes.

[*Interprétation*]

nent. Nous pourrions avoir plus de peaux si on faisait la cueillette des peaux; disons, le faire sur un plan officieux.

Mais, tel que je conçois la chose, il y aura de moins en moins de peaux.

C'est précisément ce que j'ai pu faire jusqu'à un certain point, mais d'une façon très limitée, en offrant des matières de remplacement Il faut au fur et à mesure mettre au point de nouvelles idées acceptables sur le marché, pour ce qui est de vendre des objets fabriqués avec des matières premières d'origine locale, exactement comme ce qui s'est passé dans l'Arctique où on a fabriqué des objets avec des os de baleines; c'est une excellente pratique. La situation évolue tout le temps; elle n'est pas statique.

M. Simpson: Fort bien. Une autre question. Est-ce que vous avez remarqué une diminution du désir des indigènes de ces régions de poursuivre leur travail d'artisanat? Voici à quoi je songe: dans les endroits où je suis allé, on trouve de moins en moins de femmes qui font ce travail, qui font des décorations en perles, etc. On nous dit que les jeunes sont beaucoup moins intéressés qu'ils ne l'étaient, par exemple, les générations précédentes; est-ce que c'est aussi ce que vous avez vu?

M. Solomon: C'est bien ce qui se passe, mais il doit avoir à cela une bonne raison logique. Si l'artisan ne peut pas vendre ses produits, il n'a plus envie d'en faire. Il ne peut pas en faire simplement pour les échanger avec ses voisins. S'il n'y a pas de bonne raison logique de produire ces choses-là, il n'en fera rien. Si l'artisanat peut lui rapporter quelque chose cependant, sous forme d'argent, il le fera. C'est ce que j'appelle une bonne raison logique.

Le président: Je vous remercie beaucoup, monsieur Solomon. Nous allons maintenant donner la parole à M. Churchman ou à M. Vokes? Vous êtes évidemment parfaitement libres de décider. J'ai des questions à poser en ce qui concerne l'action du ministère dans le domaine de l'artisanat, en ce qui concerne l'action de la direction industrielle du ministère.

M. St-Pierre: J'ai une question, monsieur le président.

Le président: Oui.

[*Text*]

Mr. St. Pierre: Are we now going to be dealing with Canadian Arctic Producers Ltd. in this meeting.

The Chairman: No, we are not going to deal with that, unless you have a particular direct question on it.

Mr. St. Pierre: No, I am looking at the clock and I realize that we do not have very much time left.

Mr. J. W. Churchman (Director, Indian Eskimo Economic Development Branch, Economic Development Program, Department of Indian Affairs and Northern Development): Mr. Chairman, we are happy to be here and hear the presentation this morning. We will do our best to answer any questions that members may like to ask.

The Chairman: Mr. Deakon.

Mr. Deakon: I have a question to ask that arises from statements of the previous witness. I would like to know something more about where the brief or representation made by Mr. Solomon to the Indian Affairs Department has been placed. Where is it? Can you gentlemen answer that question?

Mr. Churchman: Mr. Chairman, in the discussion there was no name given to the brief. Maybe I should ask Mr. Solomon about the brief he is referring to.

Mr. Solomon: This was a proposal. I do not know whether you have a copy of it. Canadian Indian Crafts Limited was the proposal. It was done by Canadian Consociates Limited.

Mr. Deakon: Where did the brief go? That is what I want to know.

• 1240

Mr. Churchman: Some few years ago, the Department commissioned a study by a group based, I believe, in Toronto, called Canadian Consociates Limited. They produced a report and it was received by the Department. It has been studied. We still have it. There are many excellent suggestions in it, and it is far from being shelved or dead. I would say it is a good report, and we like the things that are in it.

The Chairman: Are there any further questions, gentlemen?

Mr. O'Connell: Mr. Chairman, I did not see the report, and I wonder if there is any objection to making it available to Committee members if they wish to study it.

[*Interpretation*]

M. St-Pierre: Va-t-on parler de la *Canadian Arctic Producers*?

Le président: Non, nous n'en traiterons pas sauf si vous avez une question précise à ce sujet.

M. St-Pierre: Non, je voyais le temps passer et je me disais qu'il ne nous reste guère de temps.

M. J. W. Churchman (Directeur de la Division de l'expansion économique des Indiens et des Esquimaux), (Programme d'expansion économique): J'ai été heureux d'entendre ce qu'on vous a dit. Je répondrai volontiers aux questions que l'on voudra bien me poser.

Le président: Monsieur Deakon?

M. Deakon: J'ai une question à poser qui découle de ce qu'a dit le dernier témoin. Je voudrais bien savoir si le ministère a reçu la proposition, le mémoire, dont parlait M. Solomon tout à l'heure?

M. Churchman: Il n'était pas du tout question de ce mémoire dans le témoignage que nous avons entendu jusqu'ici, du moins on ne lui a pas donné de nom. M. Solomon pourrait peut-être nous dire de quoi il s'agit.

M. Solomon: On avait proposé de créer le *Canadian Crafts Limited*; cela avait été présenté par le *Canadian Consociates Limited.*

M. Deakon: Où est ce mémoire? C'est ce que je veux savoir.

M. Churchman: Il y a environ deux ans, le ministère avait demandé, commandé, si vous voulez, une étude à un groupe de Toronto appelé *Canadian Consociates Limited.* Cette firme a produit un rapport. Ce rapport a été reçu par le ministère. Le rapport a été étudié; nous l'avons toujours. On y trouve beaucoup de très bonnes idées, et il est loin d'être abandonné. C'est un excellent rapport et nous aimons beaucoup certaines des idées qu'on y trouve.

Le président: Est-ce qu'il y a d'autres questions? Monsieur O'Connell?

M. O'Connell: Verrait-on un inconvénient quelconque au dépôt du rapport?

[*Texte*]

The Chairman: We could perhaps ask...

Mr. O'Connell: I think we have all developed a very strong interest in it, and I think if the Department was prepared to either give us a digest, or make the report available...

The Chairman: I am not aware, gentlemen, whether or not this report is considered by the Department to be confidential. If it is not confidential I presume we could obtain copies. If it is confidential, then we could not.

Mr. Churchman: Well, Mr. Chairman, the copy that has just been handed to me is stamped "confidential". I did say previously that it was requisitioned by the Department. Fortunately, I did not say which Department. However, I see that it was submitted to the ARDA program.

Mr. Deakon: Has the Department any strong opposition to a proposal to have a company set up through private resources to carry on the marketing of these crafts that the Indians produce?

Mr. Churchman: No. I would say that to the best of my knowledge we have no strong objections. The fact that CAP is in existence and it is that type of a company, highly subsidized as one of the members mentioned this morning, would indicate that we are not opposed to that.

Mr. Deakon: What exactly are the functions of CAP? I am not too familiar with it. Could you please advise us?

Mr. Simpson: Are we not going to have a witness in that connection?

The Chairman: We are going to have a witness, or perhaps two, from CAP at another meeting.

Mr. Deakon: Thank you.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Does the Department have any plans with respect to the Arts and Crafts Centre that might move it somewhat in the direction that the previous witness indicated he would like to see it move?

Mr. Churchman: We will just have to say at this point that the whole situation of handicrafts is under review and very serious consideration and that we hope that there will be some changes in the near future.

[*Interprétation*]

Le président: Nous pourrions peut-être demander à...

M. O'Connell: La chose nous intéresse tous, je pense. Est-ce que le ministère pourrait nous le soumettre sous une forme résumée ou pas?

Le président: Je ne sais, messieurs, si ce rapport est jugé confidentiel par le ministère. S'il n'est pas confidentiel, peut-être pourrions-nous en obtenir des copies. Mais s'il est confidentiel, nous ne le pourrons malheureusement pas.

M. Churchman: La copie qu'on vient de me montrer porte la mention «confidentiel». J'ai dit déjà que c'est une étude ordonnée par le ministère. Heureusement je n'ai pas dit quel ministère. Cependant, je remarque qu'elle a été soumise au programme ARDA.

M. Deakon: Le Ministère s'occuperait-il fortement à la création d'une société dotée de ressources privées pour faire la commercialisation de ces objets d'art que les Indiens produisent?

M. Churchman: Pas du tout. Autant que je sache, nous n'y voyons pas d'inconvénient sérieux. Le fait que CAP existe et qu'elle est justement le genre de compagnie que vous proposez et, fortement subventionnée comme on le disait tout à l'heure ici, indique que nous ne nous opposons nullement à une initiative de ce genre.

M. Deakon: Quelles sont les fonctions de CAP? Je n'en suis pas très au courant. Pourriez-vous nous entretenir à ce sujet?

M. Simpson: N'allons-nous pas entendre un témoin à ce propos?

Le président: Nous allons entendre un ou deux témoins de CAP à une autre réunion.

M. Deakon: Merci.

Le président: Monsieur O'Connell?

M. O'Connell: Que pense faire le Ministère à propos de Centre d'artisanat pour l'orienter dans la direction que le témoin précédent lui a voulu voir prendre?

M. Churchman: Toute la question de l'artisanat est actuellement en train d'être revue très sérieusement et nous espérons que certains changements pourraient bientôt intervenir.

[*Text*]

Mr. O'Connell: That is a very general kind of reply, but perhaps it is the only reply that the witness feels he can give at this time. But we have had some interest developed and I wonder if we could have any further indication of the lines along which the review is taking, what sort of considerations one has in mind, and what kind of options one is looking at? Would it be possible to have a reply along those lines?

Mr. Churchman: Mr. Chairman, I personally have no objection to discussing this aspect but there is the question whether or not we are getting into the policy end of it, and this I am not sure is my field.

Mr. O'Connell: Well, I would not think that a statement of the kind of options that are available is a matter of policy. I am not asking for an indication of what choices are being made but what kind of thing is being looked at, and what are the possibilities?

Mr. Churchman: On this basis, Mr. Chairman the options that I suppose are available or the things that we are looking at areas follows. There is the possibility of expanding the Arts and Crafts Centre as it is set up at the present time. Actually, it should probably be called a warehouse rather than a crafts centre because it is an entirely different operation to CAP. I am afraid I keep mentioning this, knowing that you are going to discuss CAP at a later time and go into more detail on it. But it is a different operation.

It was started a number of years ago to pick up the surplus material produced by Indian craftsmen that they could not sell anywhere else. It has operated on a very meagre budget. As a matter of fact, I think last year we only had about $120,000 with-which to purchase materials from the Indian, craftsmen. Now this could be expanded, and I think this is one of the alternatives. Another alternative of course is to go to an organization similar to CAP—again I keep coming back to this—an organization that Mr. Solomon was speaking of this morning, whereby you have a board of directors, outlets throughout Canada—I think he mentioned four major centres: Montreal, Toronto, Winnipeg, and Vancouver—a heavily subsidized section for the training of people in the craft industry to develop the standards and the quality products that Mr. Solomon spoke of.

This is highly important. One of the problems we have had at the craft shop or the Crafts Centre is that many times we have

[*Interpretation*]

M. O'Connell: C'est une réponse à caractère assez général, mais c'est sans doute la seule réponse que notre témoin pense pouvoir nous donner à l'heure actuelle. Néanmoins nous avons suscité quelque intérêt et je me demande si l'on pourrait nous dire à peu près le sens que prend cette révision. A quoi songe-t-on précisément et quels sont les choix qui se présentent? Pourriez-vous nous éclairer là-dessus?

M. Churchman: Monsieur le président, en ce qui me concerne, je ne m'oppose pas à discuter de cet aspect, mais je me demande si l'on n'est pas en train d'empiéter sur le côté politique de la question, ce qui, à mon avis, n'est pas de mon ressort.

M. O'Connell: Je ne crois pas vraiment qu'une déclaration visant le genre d'options disponibles soit une question de ligne de conduite. Je ne demande pas qu'on m'indique les choix qui sont faits, mais simplement les choix qui se présentent à l'étude, et les possibilités qu'ils comportent.

M. Churchman: Dans ce cas, monsieur le président, les choix qui se présentent et les possibilités qu'ils comportent sont les suivants: nous étudions la possibilité de développer le Centre d'artisanat, tout en maintenant ses structures actuelles. En fait, ce Centre devrait plutôt s'appeler «entrepôt», car ce Centre diffère complètement du CAP. Je ne fais qu'y revenir, sachant très bien que, plus tard, vous serez saisis de la question du CAP, qui est une opération tout à fait différente.

Elle fut créée, il a quelques années, pour disposer de l'excédent des objets produits par les Indiens et qu'ils ne pouvaient vendre ailleurs. Cet organisme disposait d'un budget plutôt maigre. En fait, je pense que l'année dernière, nous ne disposions que de $120,000 pour acheter des objets d'art indiens. On pourrait agrandir cet organisme et ce serait là une des possibilités. Un autre choix serait de s'adresser à un autre organisme comme le CAP—une fois de plus j'y reviens—un organisme qui, comme M. Solomon disait ce matin, disposerait d'un conseil d'administration, de débouchés à travers tout le Canada, je pense qu'il a mentionné quatre centres principaux: Montréal, Toronto, Winnipeg et Vancouver, une section qui disposerait d'importants subsides pour la formation d'artisans pour développer au sein de l'industrie la qualité et les normes de production dont monsieur Solomon nous parlait.

Voilà qui est très important. Il nous est arrivé souvent d'acheter dans les ateliers et au Centre d'artisanat des objets de très mau-

[*Texte*]

purchased material of very low quality which was very difficult to dispose of.

So quality is very important. Personally, I do not think, from what I now about it that the industry itself—that is, if you set up an industry—could support the training and developing quality aspects of it. I think this has to be subsidized. Then, of course, you need the marketing end of it and you need an organized sales staff who are competent in the field to sell to the retail trade, if you are going to stick to the retail trade. And there is another option that you can retail yourself through major outlets or you can run a strictly wholesale business, and I guess you would need good buyers in the field—people who know what they are doing—because as Mr. Solomon so well pointed out this morning, you cannot go out with a price list showing Moccasins at $5.

Just like the man in the outpost who buys fur, you have to know your product; you have to know whether it is a quality product or not.

These are some of the things that we are looking at. Another option I suppose is a co-operative type of organization whereby crafts guilds themselves formed at the production level develop their own wholesaling and retailing, operations.

• 1250

There is another factor, Mr. Chairman, that is coming into this. This is the fact that the provinces are becoming quite interested in this field. Mr. Soloman mentioned Team products this morning in Alberta. Now Team products in again a highly subsidized organization. It is subsidized by the provincial government of Alberta and by Indian Affairs, and they are endeavouring to do what I have already indicated is one of our options which is to produce better products and to find an outlet for them.

They are also endeavouring, with some success, to produce new products. Mr. Simpson has probably seen the leather dresses and garments which have met with considerable success. One young lady ordered one as a wedding dress just a little while ago.

I do not know that I have answered your question, sir, but...

[*Interprétation*]

vaise qualité qui étaient très difficiles à écouler.

Par conséquent, la qualité joue un rôle important. Personnellement, je ne crois pas que l'industrie elle-même, si un jour elle prend forme, puisse se charger des dépenses qu'entraînent la formation des artisans et l'amélioration de la qualité. Je crois que cet aspect doit être subventionné. Puis, vous avez, bien sûr, le côté commercialisation pour laquelle il faut disposer d'un personnel de ventes bien organisé, qui soit compétent sur le marché afin d'écouler la marchandise aux détaillants.

Il y a aussi une autre possibilité qui est celle d'écouler la marchandise par l'entremise d'importants débouchés, ou la possibilité d'exploiter une entreprise de vente en gros, et je suppose que vous auriez également besoin de bons acheteurs sur le marché, c'est-à-dire un personnel qui sait bien ce qu'il fait, car, comme M. Solomon l'a bien fait remarquer ce matin, vous ne pouvez vous présenter sur le marché avec une liste des prix indiquant des «mocassins» à $5.

Tout comme celui qui achète les fourrures directement des trappeurs, vous devez bien connaître la qualité de vos produits; vous devez savoir si la marchandise est de bonne ou de mauvaise qualité. Voilà quelques-unes des possibilités que nous envisageons. Une autre serait une organisation coopérative ou des guildes d'artisanat formées au niveau de la production, qui mettraient au point leurs propres opérations de ventes en gros et en détail.

Il y a, monsieur le président, un autre facteur en cause. Il s'agit du fait que les provinces s'intéressent en ce moment de plus en plus à ce domaine. Ce matin, M. Solomon nous a parlé de la firme *Team Products* de l'Alberta qui est une organisation hautement subventionnée par le gouvernement provincial de l'Alberta et par les Affaires indiennes et ils essaient de faire ce qui est une de nos possibilités à laquelle nous songeons, soit d'assurer une meilleure production et d'y trouver des débouchés.

Ils essaient de même avec un certain succès de mettre au point de nouveaux produits. M. Simpson a sans doute vu les robes et vêtements en cuir, qui ont connu beaucoup de succès. Une jeune fille en a commandé une il n'y a pas longtemps pour sa robe de mariage.

Je ne sais pas si j'ai répondu à votre question. Monsieur mais...

[*Text*]

Mr. O'Connell: Mr. Chairman, that has been very helpful. I think it reinforces a good deal of what Mr. Soloman was saying about the crafts centre. I think it is generally agreed that it really is a sort of warehouse of last resort and that we should not consider we have a program around that kind of centre. It is not developmental and it is not in a position to be concerned with quality, and so on.

I think it reinforces, in another way, Mr. Solomon's plea that we consider something that is spun out some distance from government, because if it is to get into the commercial marketing fields it needs an autonomy somewhat similar to CAP's, though perhaps undoubtedly subsidized from a development point of view.

I think Mr. Churchman's comment has been useful in indicating just what are the limitations of that crafts centre.

Has the Department any estimate of the potential size of the market for Indian crafts in Canada, including export, crafts?

Mr. Churchman: Yes; but this, of course, is really difficult to estimate. However, we base it on the fact that at the moment—and again this is an estimate because we do not have receipts, of that type of thing—about $1.5 million are being returned to the Indian people as a result of the crafts industry. We see this being multiplied at least three times, and perhaps quite a bit more, but with a potential of $4 to $4.5 million, at least. Eskimo arts are estimated at about $1.75 million for the last year, and we estimate those of the Indians at about $1.5 million, on present production. But, again, both can be expanded, the Indian one particularly—and the experts in the field say at least three times.

Mr. O'Connell: One would think so. That is all the more reason for a developmental policy being arranged through the Department to meet that potential. I think that is a very low estimate, but everybody is guessing in this field.

Mr. Churchman: We feel that even on that basis there is good reason to develop it and to support it.

Mr. O'Connell: Has the Department considered craft training schools? Has it taken any initiatives in this area?

[*Interpretation*]

M. O'Connell: Oui, cela fut très utile. Je pense que cela appuie vraiment ce que disait M. Solomon au sujet du Centre d'artisanat. Je pense qu'on en convient que c'est plutôt un entrepôt du dernier ressort et que nous ne devrions pas considéré avoir un programme autour de ce centre. Il ne sert pas au développement et il n'est pas en mesure de se préoccuper des questions de qualité, de production et ainsi de suite.

Je pense que cela appuie d'autant plus cet appel formulé par M. Solomon, soit que l'on puisse s'éloigner quelque peu du gouvernement, parce que, pour s'engager dans le domaine de la commercialisation, il faut une certaine autonomie à peu près semblable à celle du CAP, bien que sans aucun doute subventionné en vue du développement. Je pense que ce fut un commentaire des plus utile formulé par M. Churchman, soit de nous indiquer quelles sont les limitations de ces centres d'artisanat.

Est-ce que le ministère a des prévisions quant à l'envergure possible du marché pour l'artisanat indien au Canada, y compris l'artisanat d'exportation?

M. Churchman: Oui, mais suivant les directives que nous recevrons, il ne'st pas facile de faire de telles prévisions. Toutefois, nous les fondons sur le fait qu'en ce moment et ce n'est qu'une simple prévision parce que nous n'avons pas de reçus pour ces genres de choses mais, en ce moment, il y a environ un million de dollars et demi à retourner aux Indiens comme résultat de l'industrie de l'artisanat. Cela pourrait se multiplier au moins par trois, et peut-être même un peu plus, mais il y a possibilité de quatre millions et demi au moins pour cette industrie. Les arts esquimaux sont évalués à environ $1,750,000 pour la dernière année, et ceux des Indiens à environ un million et demi. Mais on peut donner l'expansion aux deux surtout chez les Indiens. Certains des exportateurs prévoient une expansion qui serait triple.

M. O'Connell: Donc, d'autant plus on devrait prévoir au ministère la mise au point d'une ligne de conduite pour répondre à ces possibilités. C'est une évaluation plutôt conservatrice, mais c'est une simple prévision.

M. Churchman: Même à cela nous sommes d'avis qu'il y a d'excellents motifs pour le développer et l'appuyer.

M. O'Connell: Le ministère a-t-il songé à des écoles de formation artisanale? A-t-il pris des initiatives de ce côté?

[*Texte*]

Mr. Churchman: I think Mr. Vokes may have some knowledge of this area.

Mr. Vokes: Mr. Chairman, perhaps I might give a very brief rundown on the situation as it presently stands in Canada.

We estimate that there are about 6,300 Indian people presently active in craft programs. As Mr. Churchman has just mentioned, they are getting about $1.5 million in return.

On Mr. O'Connel's question on the type of training schools, we have the teen program

• 1255

in Alberta, which started in 1966. This is both developmental and marketing, and a large number of training programs are on-going all the time. Incidentally, the teen program employs something like nine Indian and Eskimo people as full-time, paid employees.

In Saskatchewan there is a program going in La Ronge, supported by the federal government, which is managed by two Indian people, and they are carrying out training programs.

In British Columbia during the past year ten training programs were carried out, and nine Indian people were employed to conduct them. There is one in the Yukon which is on-going all the time. I believe some of the members mentioned their visit there recently.

In Manitoba we have somebody on staff who is also carrying out training programs in the Brandon area.

In Ontario Mr. Solomon has been employed by the Department to undertake this kind of work in Northern Ontario. And so the training program goes.

Mr. Churchman: Thank you, Mr. Chairman. That is all I have.

The Chairman: Gentlemen, it is now almost one o'clock. Perhaps we could have one more question.

We will invite you gentlemen to return when CAP is before the Committee.

Mr. Simpson: I assume, then, Mr. Chairman, that we are not passing the estimates in this particular area.

I have one question, though, on the statement about the work that is going on in the various provinces.

[*Interprétation*]

M. Churchman: M. Vokes pourrait peut-être répondre à la question.

M. Vokes: Monsieur le président, je pourrais peut-être vous donner une idée de la situation telle qu'elle se présente maintenant au Canada. Nous prévoyons qu'il y a environ six mille trois cents Indiens qui en ce moment font des travaux d'artisanat. Comme M. Churchman vient de le dire, ils obtiennent environ un million et demi de revenu de ces activités. Au sujet de la question de M. O'Connell quant au genre d'écoles de formation artisanale, nous avons le programme «Teen» en Alberta, qui a été inauguré en 1966. Il s'agit de la commercialisation et de la formation et un grand nombre de programmes de formation sont constamment en marche. En passant, ce programme pour les jeunes emploie environ 9 Indiens et Esquimaux à plein temps.

En Saskatchewan, il y a un programme à la La Ronge appuyé par le gouvernement fédéral et administré par deux Indiens et ils conduisent des programmes de formation.

En Colombie-Britannique au cours de la dernière année, il y a eu dix programmes de formation et neuf Indiens ont travaillé à ces programmes. Il y en a un au Yukon, je pense que certains des députés ont dit qu'ils s'y étaient rendus récemment.

Au Manitoba, nous avons quelqu'un qui fait partie du personnel et qui assure des programme de formation dans la région de Brandon.

En Ontario, M. Solomon est au service du ministère pour faire ce genre de travail dans le nord de l'Ontario. Et ainsi se déroule le programme de la formation.

M. Churchman: Merci beaucoup monsieur le président, c'est tout.

Le président: Messieurs, il est environ une heure. Nous pourrions peut-être permettre une autre question.

Nous vous inviterons à comparaître de nouveau au Comité lorsque nous aurons des représentants du CAP.

M. Simpson: Monsieur le président, j'en conclurais alors que nous n'adoptons pas ce poste des prévisions de dépenses. Il faudra y revenir.

Je voudrais simplement maintenant poser une question à l'égard de déclarations portant sur le travail qui se fait dans les différentes provinces.

[*Text*]

Is this set up at the suggestion of your regional offices, or is it set up on a handicraft policy in Ottawa? I knew before you mentioned it that there is a good one in Brandon, but why do we not have a little more activity in the northern part of Manitoba where the majority of the Indian people live?

Mr. Churchman: Primarily, Mr Chairman, it is the regional people who make the recommendations, and they are usually financed out of their budget. However, suggestions are made both ways. We try to keep a two-way communication with the regions. If we have suggestions we make them, and they do also.

Some of the initiatives of course, come from the Indian people and some from the Provinces.

At the moment we are having discussions with Manitoba on a proposal that they are—I was going to say "pushing"—putting forward, and we like it and are interested in it. We are trying to work out an arrangement with them whereby we get some more development along these lines.

One fact that we run into here is that it is not just Indian people who are band members or have treaty cards who produce Indian handicraft. Many people of Indian origin, or the Metis people, also produce. The provinces are very much interested of course, in this area, so we find that we can work together; and there is good reason to work together on this kind of program.

Mr. Simpson: I have one further question. I may not be able to be at the next Committee meeting when the witnesses appear. It was mentioned that roughly $100,000 was allotted for purchasing by the crafts centre. How many people are actually employed at the crafts centre?

Mr. Churchman: There are six people at the crafts centre.

• 1300

Mr. Simpson: When the witnesses next appear could they have for the Committee a rundown on the amounts spent on purchasing back, say, to 1960, or for however long it has been going, but not more than for the last eight years, and the annual budget of the crafts centre over those years? We could then make some comparisons on how it is operating.

[*Interpretation*]

Cela est-il constitué à la suggestion de vos bureaux régionaux ou est-ce que cela est constitué suivant une politique établie à Ottawa, en matière d'artisanat? Je suis heureux de voir qu'il y en a un excellent à Brandon, que je connaissais avant que vous en parliez. Mais pourquoi n'a-t-on pas un peu plus d'activité dans la région du Nord du Manitoba, où se trouvent la plupart des Indiens?

M. Churchman: Essentiellement, monsieur le président, ce sont les gens du bureau régional qui formule les recommandations et, habituellement, c'est financé à partir de leur budget. Encore, il y a des suggestions qui viennent de part et d'autre. Nous essayons toujours de maintenir les communications avec les régions dans les deux sens, et si nous avons des suggestions à faire nous les formulons et de même en ce qui les concerne.

Une partie des initiatives viennent des Indiens et d'autres des provinces.

En ce moment, nous avons des entretiens avec le Manitoba pour ce qui est des propositions voulant qu'ils fassent un certain programme. Ils ont fait une suggestion et nous l'étudions. Nous aimons travailler avec eux.

Une des choses que nous avons éprouvées, ici, c'est le fait que pour ce qui est de ces Indiens qui sont membres d'une bande ou qui ont des cartes de traité, qui produisent des objets d'artisanat, il y a bon nombre d'Indiens ou de Métis qui font aussi des objets d'artisanat. Les provinces s'y intéressent beaucoup. Et, nous trouvons qu'on peut travailler ensemble pour un tel programme.

M. Simpson: J'ai une autre question. Je ne pourrai peut-être pas être ici à la prochaine réunion du Comité, lorsque les témoins seront là. On a mentionné que quelque $100,000, étaient prévus pour les achats du centre d'artisanat. Combien de personnes sont présentement à l'emploi du centre d'artisanat?

M. Churchman: Il y en a six.

M. Simpson: Peut-être pour ce qui est de la prochaine réunion avec les mêmes témoins, pourriez-vous donner au Comité la ventilation des achats faits, disons, à partir de 1960 ou quelque chose du genre, ou enfin depuis le temps, disons, pour les 8 dernières années, pas plus, et le budget annuel du Centre d'artisanat pour ces années. Nous pourrions alors faire des comparaisons sur le fonctionnement.

[*Texte*]

The Chairman: Mr. Deakon, do you have a question?

Mr. Deakon: I think I had better pass.

Item 1 stood.

The Chairman: The meeting is adjourned to the call of the Chair.

[*Interprétation*]

Le président: Monsieur Deakon vous aviez une dernière question?

M. Deakon: Aussi bien céder le pas parce qu'il est une heure.

Le poste 1 est réservé.

Le président: Le Comité s'ajourne jusqu'à nouvelle convocation du président.

lications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY
APR 28 1969
UNIVERSITY OF TORONTO

No. 13

THURSDAY, MARCH 13, 1969

LE JEUDI 13 MARS 1969

Respecting

Indian Aflairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29969—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs.

et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops, Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
[1]Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(*b*)

[1] Replaced Mr. Givens on March 12, 1969.

Conformément à l'article 65(4)*b*) du Règlement

[1] Remplace M. Givens le 12 mars 1969.

(*Text*)

MINUTES OF PROCEEDINGS

THURSDAY, March 13, 1969.
(14)

The Standing Committee on Indian Affairs and Northern Development met this day at 7:45 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, Southam, Smerchanski, Thomson (*Battleford-Kindersley*), Watson (14).

Also present: Messrs. Cadieu, Orange and Sulatycky.

Witnesses: From the Northern Canada Power Commission: Mr. J. A. MacDonald, Chairman and Mr. E. W. Humphrys, General Manager and Chief Engineer.

On motion of Mr. Simpson, it was

Agreed:—That reasonable travelling and living expenses be paid to Mr. Arthur Solomon who appeared before the Committee on Tuesday, March 11, 1969 and to Professor F. W. Anderson who will be appearing before the Committee on Tuesday, March 18, 1969.

On motion of Mr. Southam, it was

Agreed:—That the answers supplied by the Department of Indian Affairs and Northern Development to questions asked by Mr. Smerchanski at an earlier meeting, be printed as an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix L*)

Mr. Simpson tabled a letter from Mr. Peter W. Elkington of Dawson City in the Yukon, which had attached to it, a summary of an Indian Housing Survey carried out in Dawson City, Yukon. (*See Exhibit II*)

The Chairman called Item L85—Advances to Northern Canada Power Commission—of the estimates of the Department of Indian Affairs and Northern

(*Translation*)

PROCÈS-VERBAL

Le JEUDI 13 mars 1969.
(14)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce soir à 7 h. 45, sous la présidence de M. Watson, président.

Présents: MM. Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Nielsen, O'Connell, Orlikow, Simpson, Southam, Smerchanski, Thomson (*Battleford-Kindersley*), Watson—(14).

De même que: MM. Cadieu, Orange et Sulatycky.

Témoins: De la Commission d'énergie du Nord canadien: M. J. A. MacDonald, président, et M. E. W. Humphrys, directeur général et ingénieur en chef.

Sur la proposition de M. Simpson,

Il est convenu—Que l'on rembourse, dans une mesure raisonnable, leurs frais de déplacement et de séjour à M. Arthur Solomon, qui a comparu devant le Comité le mardi 11 mars 1969, et au professeur F. W. Anderson, qui comparaîtra devant le Comité le mardi 18 mars 1969.

Sur la proposition de M. Southam,

Il est convenu—Que les réponses fournies par le ministère des Affaires indiennes et du Nord canadien à des questions posées par M. Smerchanski lors d'une séance précédente soient imprimées en appendice au procès-verbal et témoignages de ce jour. (*Voir Appendice L*).

M. Simpson dépose une lettre de M. Peter W. Elkington, de Dawson City, dans le Yukon, à laquelle est joint le résumé d'une enquête sur le logement des Indiens effctué à Dawson City. (*Voir Pièce II*).

Le président met en délibération le crédit L85—Avances à la Commission d'énergie du Nord canadien—des prévisions budgétaires du ministère des Affaires in-

29969—1½

Development for the fiscal year 1969-70, so as to allow the Committee to consider the question of Electric Power in the North as ordered by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses and they were questioned.

Later, on motion of Mr. Gundlock, it was

Agreed,—That the question of time limits to be placed on members of the Committee should be referred to the Sub-Committee on Agenda and Procedure.

On the completion of questioning, the Chairman and members of the Committee thanked the witnesses.

At 10:20 p.m., on motion of Mr. Smerchanski, it was

Agreed,—That the Committee adjourn to Tuesday, March 18, 1969.

diennes et du Nord canadien pour l'année financière 1969-1970, afin de permettre au Comité d'examiner la question de l'énergie hydro-électrique dans le Nord, conformément à l'ordonnance du Comité du 10 mars 1969.

Le président présente les témoins, qui répondent ensuite à des questions.

Plus tard, sur la proposition de M. Gundlock,

Il est convenu—Que la question des limites de temps à imposer aux membres du Comité soit renvoyée au comité du programme et de la procédure.

L'interrogatoire terminé, le président et les membres du Comité remercient les témoins.

A 10 h. 20 du soir, sur la proposition de M. Smerchanski,

Il est convenu—Que le Comité s'ajourne jusqu'au mardi 18 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Text*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 13, 1969

• 1944

The Chairman: Gentlemen, I now call the meeting to order.

I would like to receive a motion to pay the expenses of Mr. Solomon, who appeared before us as a witness at the last meeting, and also Professor Anderson, who will be appearing before us on Tuesday, March 18.

Mr. Simpson: I so move.

Motion agreed to.

The Chairman: I would also like to ask for the Committee's permission to table the answers to questions asked by Mr. Smerchanski at our meeting before Christmas and that these answers be printed as an appendix to the minutes of this meeting.

Mr. Southam: I so move.

Motion agreed to.

• 1945

The Chairman: I will now call Item L85.

Mr. Simpson: Mr. Chairman, on a point of order.

The Chairman: Yes.

Mr. Simpson: I have a letter here addressed to myself from a person in Dawson City and it contains information on a housing survey which was taken there by the chief. It is a very short letter and the writer expresses the hope that we find this information useful in the work of the Committee. I have made a copy of it and I would like to table it with the Clerk. I will acknowledge this letter and say that it has been turned over to the Committee.

The Chairman: Is the Committee agreed?

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Chairman, perhaps it might be convenient for me to raise a question of privilege at this point. You will recall last Friday I indicated to the Steering Committee that I felt I would be compelled to raise this point at the first opportunity before

[*Interpretation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le jeudi 13 mars 1969

Le président: Messieurs, la séance est ouverte.

J'aimerais recevoir une motion pour nous permettre de rembourser les frais encourus par monsieur Solomon, qui a témoigné lors de la dernière séance et ceux de monsieur Anderson qui sera ici le mardi 18 mars.

M. Simpson: Je présente cette motion.

La motion est adoptée.

Le président: J'aimerais également obtenir la permission du Comité pour déposer les réponses aux questions posées par monsieur Smerchanski avant Noël et pour faire imprimer ces réponses en appendice aux témoignages de la présente séance.

M. Southam: Je propose la motion à cet effet.

La motion est adoptée.

Le président: Nous allons maintenant étudier le crédit 185.

M. Simpson: J'invoque le Règlement.

Le président: Je vous écoute.

M. Simpson: J'ai ici une lettre que m'a adressée personnellement une personne de Dawson City. Elle contient des renseignements sur une enquête relative au logement menée à cet endroit. Il s'agit d'une brève lettre et le signataire dit espérer que les détails qu'elle contient pourront être utiles au Comité. J'aimerais en déposer une copie auprès du secrétaire. J'accuserai réception de la lettre et avertirai le signataire qu'elle est maintenant entre les mains du Comité.

Le président: Le Comité est d'accord?

Des voix: D'accord.

M. Nielsen: Monsieur le président, peut-être serait-il pratique que je soulève une question de privilège maintenant. Vous vous souviendrez que j'ai averti le comité directeur, vendredi dernier, que je serais forcé de soulever cette question à la première occasion

[*Text*]

The Chairman: I am sorry. I offer the same explanation to the Committee.

Mr. Orlikow: Mr. Chairman, I am not worried about that, but I thought we were to have Professor Carr in attendance.

The Chairman: Professor Carr will be appearing before the Committee on Tuesday. He is with us tonight as an observer but he will be with us again on Tuesday.

Mr. Nielsen: Mr. Chairman, perhaps before asking my questions I should point out an error in the appendix which is attached to the letter from the Deputy Minister, Mr. MacDonald, to you of March 4. You will notice on page 4 of Appendix A there appears a list of communities in the Yukon that are...

The Chairman: Which paragraph, Mr. Nielsen?

Mr. Nielsen: At the bottom of page 4, Appendix A. I believe that appears on page 256 of issue No. 11 of the Minutes of Proceedings and Evidence of this Committee. In any event, in referring to the original page 4 of Appendix A, there appear to have been three communities in the Yukon which are served by Yukon Electrical Company which have been omitted from the list.

Those communities are Burwash Landing, Pelly River Crossing and Swift River. None of those communities on that list have been indicated as receiving power from the Yukon Electrical Company, when in fact they do. I request that perhaps an amendment could be made in the Minutes of Proceedings and Evidence, and I am sure that upon reflection Mr. MacDonald will agree that in fact those three communities should be listed.

• 1955

One other point, Mr. Chairman. On page 26 of the Minutes of Proceedings and Evidence of November 7, 1968, issue No. 3, Mr. MacDonald undertook to find out the amount of the loss in real terms that was suffered at Coppermine. That may be in the appendix that he has supplied to you, Mr. Chairman. I have not found it, but I have not studied it with meticulous care yet. It may be there, although I did not see it on first perusal.

Mr. Chairman, may I direct the attention of Mr. MacDonald to pages 3 and 4, where he is answering questions put to him by Mr. Smerchanski. He lists a number of plants that are operated by NCPC in the Northwest Territories. I would like to ask him whether any one or more of those several plants have been put

[*Interpretation*]

Le président: La même explication est valable pour l'ensemble du Comité.

M. Orlikow: Je pensais qu'on avait demandé au professeur Carr de venir.

Le président: Le professeur Carr va comparaître mardi. Il est avec nous ce soir à titre d'observateur, mais il sera avec nous mardi.

M. Nielsen: Monsieur le président, je devrais peut-être, avant de poser ma question, vous signaler une erreur qui s'est glissée dans l'appendice à la lettre que le sous-ministre, monsieur MacDonald, vous a adressée le 4 mars dernier. Vous remarquerez, à la page 4 de l'appendice A, la liste des municipalités du Yukon...

Le président: A quel endroit, avez-vous dit?

M. Nielsen: Au bas de la page 4, appendice A. Je crois que vous pourrez le retrouver à la page 256 du fascicule 11 des procès-verbaux et témoignages de ce Comité. Quoi qu'il en soit, à la page 4 du texte original de l'appendice A, on semble avoir oublié les noms de trois municipalités du Yukon qui sont desservies par la *Yukon Electrical Company*.

Il s'agit de Burwash Landing, Pelly River Crossing et Swift River. Aucune de ces collectivités n'a été portée sur la liste, alors qu'elles reçoivent effectivement l'électricité de cette compagnie. Je pense qu'il faudrait amender le texte des procès-verbaux et témoignages et je suis convaincu que monsieur MacDonald admettra que les noms de ces trois collectivités devraient être, en fait, indiqués.

Il y a également autre chose, monsieur le président. A la page 26 des procès-verbaux et témoignages du 7 novembre, il s'agit du fascicule 3, monsieur Macdonald s'est engagé à vérifier l'importance de la perte subie à Coppermine. Ce détail se trouve peut-être dans l'appendice qu'il vous a remis, monsieur le président, mais je ne l'ai pas trouvé. Il est vrai que je n'ai pas scruté le tout. Le détail y est peut-être même si je ne l'ai pas retrouvé à première vue.

Puis-je, monsieur le président, attirer l'attention de M. MacDonald sur les pages 3 et 4 où il répond aux questions de M. Smerchanski. Il donne la liste d'un certain nombre d'usines qui sont exploitées par la CENC dans les Territoires du Nord-Ouest. Est-ce qu'il pourrait nous dire si, parmi ces usines, il y

[*Texte*]

out—and he may have some difficulty here with his hats—to tender by the Department for operation by some person, firm or corporation other than NCPC or the Department.

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission and Deputy Minister, Department of Indian Affairs and Northern Development): No.

Mr. Nielsen: I notice that all of them are in fact being maintained by NCPC.

Mr. MacDonald: Yes, that is the policy.

Mr. Nielsen: Is the Department quite happy with the cost of the operation of all of those plants by NCPC?

Mr. MacDonald: Yes. We were operating in a high cost territory. The word "happy" may not be the happiest choice because we always like to see the costs brought down, but if by implication you mean do we feel the costs could be significantly lower, we have no such feeling.

Mr. Nielsen: Are any other electrical power producing plants operated in the North by any other agency or department of government other than those listed on pages 3 and 4 of Appendix A?

Mr. MacDonald: I was just double checking to make sure that we have not left out some other departments. To the best of my knowledge it is a comprehensive list.

Mr. Nielsen: That was not the question, though, Mr. MacDonald. To your knowledge are any other plants operated by any other department or agency other than the ones listed, which are either operated by the Department of Indian Affairs and Northern Development or NCPC in these areas?

Mr. MacDonald: The Department of National Defence operates plants, but I believe this covers DOT, does it not?

Mr. E. W. Humphrys (General Manager and Chief Engineer, Northern Canada Power Commission): Yes, it includes one DOT operation. There may be one or two others.

Mr. MacDonald: I think the largest exception would be the Department of National Defence.

Mr. Nielsen: Does the Department of National Defence operate plants in locations

[*Interprétation*]

en a qui ont fait l'objet d'appels d'offres de la part du ministère qui voudrait qu'elles soient exploitées par une personne, une compagnie ou une société autre que la CENC ou le ministère.

M. J. A. MacDonald (président de la Commission d'énergie du Nord canadien et sous-ministre des Affaires indiennes et du Nord canadien): Non.

M. Nielsen: Toutes ces usines sont exploitées par la CENC.

M. MacDonald: Oui, telle est notre politique.

M. Nielsen: Est-ce que le ministère est satisfait du coût d'exploitation de toutes ces usines qu'exploite la CENC?

M. MacDonald: Oui, mais vous utilisez le mot «satisfait» qui n'est pas des plus satisfaisants, car nous aimons que les coûts soient les moins élevés. Mais si vous voulez me demander, par là, si ces coûts peuvent être réduits, et de façon importante, je répondrai dans la négative.

M. Nielsen: Est-ce qu'il y a d'autres compagnies d'électricité dans le Nord qui sont exploitées par d'autres agences gouvernementales en dehors de celles citées là?

M. MacDonald: Je suis en train de vérifier, pour m'assurer que nous n'avons pas oublié de ministères, mais je crois que la liste est complète.

M. Nielsen: Non, ce n'était pas la question. La question était de savoir s'il y a d'autres usines qui sont exploitées par d'autres ministères ou autres organismes gouvernementaux, en dehors de celles qui sont, d'après la liste, exploitées soit par le ministère des Affaires indiennes soit par la Commission d'énergie du Nord canadien?

M. MacDonald: Le ministère de la Défense nationale exploite des usines mais je crois que cette liste couvre le ministère des Transports.

M. E. W. Humphrys (Directeur général et ingénieur en chef de la Commission d'énergie du Nord canadien): Oui, elle inclut une usine exploitée par le ministère des Transports. Il y en a peut-être une ou deux autres.

M. MacDonald: Je crois que l'exception la plus importante est le ministère de la Défense nationale.

M. Nielsen: Est-ce que le ministère de la Défense nationale exploite des centrales, dans

[*Text*]

embarking on a continuation of our discussions with respect to the Northern Canada Power Commission and public versus private power in the North.

The Yukon's 230,000 square miles and the Northwest Territories' 1,300,000 square miles is a fairly large constituency to get around in during an election campaign. During the last election I requested—it was not offered—the use of an executive aircraft owned by the Yukon Electrical Company Limited, which is one of the main producers and distributors of power in the Yukon Territory. At the time I made that request, I did not think there was even the scintilla of a possibility of any conflict arising.

However, in subsequent conversations with the president of the Yukon Liberal Association—and a recent petitioner in proceedings which have been dismissed in the territorial courts of the Yukon Territory against myself—he informed me that he intended to use this circumstance against me and also that in raising these matters on behalf of Yukon Electrical before this Committee I was merely paying off a debt.

I deny that allegation completely and wish to point out to the Committee—I will not mention the circumstances where potential leaders of one of our national parties used executive aircraft fairly extensively recently—that this particular aircraft was offered to the candidate for the Liberal Party in the Northwest Territories, and because he had already made arrangements he informed Yukon Electrical that he could not use it but that the Liberal candidate in the riding of Athabasca could very well use it, and in fact he did use it fairly extensively.

I raise the matter now because of the fact that when I was confronted with this matter by the president of the Yukon Liberal Association I readily saw that it might consider there would be a conflict. I do not believe there is and I do not believe it interferes with the position I have taken with respect to my stand on private investor-owned utilities as opposed to government-owned utilities in the North.

I propose, unless a substantive objection is raised by some members of the Committee, to pursue that course notwithstanding the kind of confrontation I have explained to you, and I do not believe there is a conflict. That is my question of privilege, Mr. Chairman.

The Chairman: Mr. Nielsen, I think the members of this Committee will accept your declaration in the spirit in which it was given, and we appreciate the frank way in which

[*Interpretation*]

avant de poursuivre nos discussions en ce qui concerne la Commission d'énergie du Nord canadien et les sociétés privées d'énergie électrique.

Les 230,000 milles carrés du Yukon et les 1,300,000 milles carrés des Territoires du Nord-Ouest représentent un vaste territoire à couvrir au cours d'une campagne électorale. Au cours de la dernière campagne électorale, j'ai demandé qu'on me prête un avion appartenant à la *Yukon Electrical Company* qui est l'un des plus importants producteurs et distributeurs d'électricité du Yukon. Au moment où j'ai fait cette demande, je n'ai jamais pensé qu'il y avait la moindre possibilité de conflit d'intérêts.

Or, dans mes conversations subséquentes avec le président de l'Association libérale du Yukon, ce dernier m'a déclaré qu'il avait l'intention d'utiliser ce fait contre moi ajoutant qu'en soulevant certains points au nom de la *Yukon Electrical* devant ce Comité, je ne fais que m'acquitter d'une dette.

Je nie formellement ces allégations et désire souligner, bien que je n'aie pas l'intention de mentionner les circonstances dans lesquelles certains candidats possibles à la direction de l'un de nos partis nationaux ont pu jouir d'un avion privé récemment, que ce même appareil que j'ai utilisé a été offert au candidat libéral qui, parce qu'il avait pris d'autres dispositions, ne pouvait l'utiliser. Il a toutefois ajouté que le candidat libéral dans la circonscription d'Athabasca pourrait peut-être l'utiliser, ce qu'il a d'ailleurs fait.

Je soulève cette question parce que lorsque j'ai abordé ce point avec le président de l'Association libérale du Yukon, j'ai réalisé qu'on pourrait croire qu'il y avait conflit. Je ne crois pas qu'il y en ait et je ne crois pas non plus que ceci entre en ligne de compte dans la position que j'ai adoptée au sujet des entreprises privées d'utilités publiques par opposition aux entreprises publiques.

J'ai l'intention, à moins que certains membres de ce Comité n'y aient de forte objection, de continuer dans le même sens. Je ne crois pas qu'il y ait conflit. Voilà ce que j'avais à dire, monsieur le président.

Le président: Je pense, M. Nielsen, que les membres du Comité vont accepter votre déclaration. Nous sommes sensibles à la franchise avec laquelle vous nous l'avez exposée.

[*Texte*]

it was given. I do not think there is any other comment I need to make on it.

We are now on Item L85 of the estimates

• 1950

for the fiscal year 1969-70.

Northern Canada Power Commission

L85 Advances to the Northern Canada Power Commission for the purpose of capital expenditure in accordance with section 15 of the Northern Canada Power Commission Act—$4,040,000

With respect to this item, we will have the opportunity tonight of questioning the president of the Northern Canada Power Commission, as well as the general manager and chief engineer, on any matters which may arise from the answers given by the Northern Canada Power Commission to questions asked by Mr. Nielsen and Mr. Smerchanski before Christmas. Mr. Nielsen, perhaps you could start off the questioning or, if you prefer, Mr. Smerchanski.

Mr. Nielsen: I will defer to Mr. Smerchanski.

Mr. Smerchanski: No, Mr. Nielsen, you can carry on. You have been up there.

Mr. Simpson: Mr. Chairman, on a point of order. I am not raising points of order to hold the meeting up, but I must say that although I am quite in agreement with the carrying on of the procedure we are undertaking, I was under the impression after speaking with you yesterday that tonight we would—and perhaps I got it wrong—deal with the CAP.

The Chairman: My apologies to you, Mr. Simpson.

Mr. Simpson: I am saying this because I have already notified two people in the room that that was what we were dealing with, I have now learned for the first time that we are not dealing with them first.

The Chairman: I owe you an apology, Mr. Simpson, because I did so inform you. Subsequent to my informing you we found out there were some fairly strong reasons for having NCPC before us tonight, and we also ran into some difficulties in getting the witnesses from Canadian Arctic Producers. We will simply have them appear before us at a later date. I intended to inform you on this today, Mr. Simpson.

Mr. Simpson: Thank you, Mr. Chairman.

[*Interprétation*]

Je ne pense pas qu'il y ait d'autres commentaires à faire.

Nous aborderons maintenant l'étude du crédit L85 des prévisions budgétaires pour l'année 1969-1970.

Commission d'énergie du Nord canadien

L85 Avances à la Commission d'énergie du Nord canadien au titre de dépenses en immobilisations conformément à l'article 15 de la Loi sur la Commission d'énergie du Nord canadien—$4,040,000

A ce sujet, nous pourrons interroger, ce soir, le président de la Commission d'énergie du Nord canadien et le directeur général et ingénieur en chef sur tous les sujets qui pourraient vous venir à l'esprit par suite de la lecture des réponses que la Commission a données aux questions posées par messieurs Nielsen et Smerchanski avant Noël. Monsieur Nielsen pourrait peut-être poser les premières questions à moins qu'il ne désire laisser la parole à monsieur Smerchanski.

M. Nielsen: Je vais céder la parole à M. Smerchanski.

M. Smerchanski: Allez-y, plutôt, monsieur Nielsen.

M. Simpson: Monsieur le président, j'en appelle au Règlement. Je ne le fais pas pour retarder cette séance, mais je dois dire que, bien que je sois parfaitement d'accord avec la procédure que nous suivons, j'avais, pour ma part, l'impression, après vous avoir parlé hier, que nous traiterions ce soir de la *Canadian Arctic Producers.*

Le président: Je vous prie d'accepter mes excuses, monsieur Simpson.

M. Simpson: Je vous dis cela parce que je viens de dire à deux personnes dans la salle que c'était ce sujet que nous allions d'abord aborder, et je viens d'apprendre que tel n'est pas le cas.

Le président: Je vous fais des excuses, monsieur Simpson, parce que je ne vous ai pas averti plus tôt. Après notre conversation, nous avons réalisé qu'il serait préférable de recevoir la CENC, ce soir. De plus, il était difficile de faire venir les témoins de *Canadian Arctic Producers.* Par conséquent, ils viendront à un autre moment. J'avais l'intention de vous prévenir aujourd'hui, monsieur Simpson, je m'excuse.

M. Simpson: Merci.

[*Text*]

where either the Department or NCPC also operate plants?

Mr. MacDonald: I do not believe so, no.

Mr. Nielsen: Is it the intention of NCPC to take over these DND plants?

Mr. MacDonald: I think we would have to consider each case on its merits. That would be the policy if National Defence were withdrawn from it, but if it is a satisfactory operation and the consumption is entirely National Defence, it probably would not disturb that arrangement.

Mr. Nielsen: Has DND made any such request to NCPC or to the Department?

Mr. MacDonald: No.

Mr. Nielsen: There were attached as part of Appendix A certain agreements between the Northwest Territories Power Commission on the one hand and Yellowknife Power Company Limited—that was an agreement dated December 31, 1951—and in another instance an agreement dated June 1, 1949, between the Northwest Territories Power Commission and Yellowknife Power Company Limited. Was a third agreement dated December of 1961 between the Northern Canada Power Commission and Plains Western Gas and Electric Company Limited. Is it the policy of NCPC to enter into such agreements in areas where they are supplying power to the distributor?

Mr. MacDonald: Mr. Humphrys, would you elaborate on these agreements?

Mr. Humphrys: Under normal circumstances where there is a need for it, the Commission is prepared to enter into an agreement if other circumstances make it practicable to do so. In the case of the Plains Western Gas and Electric Company Limited agreement with Yellowknife, the original agreement was entered into at the very outset of the operations of the Commission, and it expired in 1961. There was then a move to enter into a new agreement, but for a varied number of reasons it was not done. There was no direct need for it at that particular time, although it was the sort of thing that is normally done in business practice.

Where the commission supplies power to private mining companies, it also endeavours to have an agreement, but in some instances it does not have an agreement. The question is what is the real value of an agreement in

[*Interpretation*]

des endroits où la CENC ou le ministère exploitent également des centrales?

M. MacDonald: Je ne le crois pas.

M. Nielsen: Est-ce que la CENC a l'intention de prendre charge de ces centrales?

M. MacDonald: Je pense qu'il faut étudier chaque cas sur ses propres mérites. Nous suivrions certes cette politique si le ministère de la Défense nationale décidait de se retirer de ce domaine, mais s'il s'agit d'une exploitation satisfaisante et que ce ministère consomme toute l'énergie produite, je ne vois pas pourquoi il faudrait modifier la situation.

M. Nielsen: Est-ce que le ministère de la Défense nationale a adressé des demandes en ce sens à la CENC ou au ministère?

M. MacDonald: Non, absolument pas.

M. Nielsen: On a joint d'une part à l'appendice A certains accords passés entre la CENC et la *Yellowknife Power Company Limited,* il s'agit d'accords intervenus le 31 décembre 1951, et d'autre part, un accord, en date du 1er juin 1949, entre la Commission d'énergie des Territoires du Nord-Ouest et la *Yellowknife Power Company Limited.* Il y a eu un troisième accord, datant de décembre 1961, entre la Commission d'énergie du Nord canadien et la *Plains Western Gas and Electric Company Limited.* Est-ce que la Commission d'énergie du Nord canadien a pour politique de passer des contrats de ce genre dans les régions où elle fournit de l'énergie aux distributeurs?

M. MacDonald: Monsieur Humphrys, pourriez-vous donner des précisions au sujet de ces accords?

M. Humphrys: Dans des conditions ordinaires, et lorsque le besoin s'en fait sentir, la Commission est disposée à signer un accord, si les circonstances extérieures le permettent. Dans le cas de l'accord entre la *Plains Western Gas and Electric Company Limited* et Yellowknife, l'accord original a été conclu dès le début de l'exploitation de la Commission, et il a expiré en 1961. Il a alors été question de signer un nouvel accord, mais pour diverses raisons, on ne l'a pas fait. On n'a pas jugé cela comme absolument nécessaire de le faire à ce moment-là, bien que ce soit la façon de procéder normale en affaires.

Lorsque la Commission fournit de l'énergie à une société minière privée, elle cherche à obtenir un accord, mais elle n'en a pas partout. La question c'est de savoir quelle est la valeur réelle d'un accord dans le cas particu-

[*Texte*]

this particular case, and we have not felt a lack of an agreement was a serious handicap either to ourselves or to the customer. Therefore under normal business practice it would be the Commission's normal procedure to do so, but it does not have agreements in every instance.

Mr. Nielsen: Well, would it be fair to suggest, Mr. Humphrys, that it would be a desirable business practice to have an agreement where you have over $500,000 worth of power being sold by the Commission to a distributor each year?

Mr. Humphrys: I do not think it is absolutely necessary if the Commission is confident that the distributor will pay the cost for power and he knows what the cost is going to be. I do not see that an agreement is really an essential document.

Mr. MacDonald: If I may just supplement that. I think an agreement becomes critical when you are contemplating new capital expenditures, and one wants to be certain of the amortization. But as I understand these, that issue does not arise.

Mr. Nielsen: Well would it not assist in crystalizing the plans, in your view, in terms of good business practice, the plans of the distributor with respect to its projected capital investments, if an agreement were in existence which defined clearly what both parties were expecting of each other?

Mr. MacDonald: I would suggest that the critical information is the projected loans for the future. This is where the planning element comes in and, of course, this could be covered by an agreement, or else it is simply a matter of good liaison. But I would repeat, that from

• 2005

our point of view I think we would be most concerned about an agreement when we are entering into large capital expenditures ourselves. Or conversely, the customer might want an agreement if there was some uncertainty about our ability to supply. I do not think that applies in this particular case.

Mr. Nielsen: Well, going to the Yukon instance specifically, Mr. MacDonald, I think it is fair to say that there is some kind of a partnership which exists between the investor-owned utility and NCPC in the Yukon. I am referring, for a specific example, to the figures which you gave in your submission to

[*Interprétation*]

lier en cause, et nous ne pensons pas que l'absence d'un accord constitue un désavantage sérieux, que ce soit pour nous-mêmes ou pour le client. Par conséquent, dans des conditions normales d'affaires, la Commission procède ainsi, mais il n'y a pas un accord dans tous les cas.

M. Nielsen: Serait-il juste de dire, monsieur Humphrys, qu'il serait souhaitable qu'un accord soit conclu dans tous les cas où la Commission vend à un distributeur pour plus de $500,000 d'énergie par an?

M. Humphrys: Je ne pense pas que ce soit absolument indispensable, lorsque la Commission est certaine que le distributeur paiera l'énergie qu'on lui fournit et qu'il en connaît le prix. Je ne pense pas qu'un accord soit un document absolument essentiel.

M. MacDonald: Pourrais-je ajouter quelque chose? A mon avis, un accord devient essentiel lorsqu'on envisage de nouvelles dépenses en immobilisations, si l'on veut s'assurer de l'amortissement des frais. Mais, d'après ce que je comprends, la question ne se pose pas ici.

M. Nielsen: A votre avis, est-ce que l'existence d'un accord définissant clairement ce que les deux parties attendent l'une de l'autre n'aiderait pas à cristalliser les projets du distributeur relativement aux dépenses en immobilisations qu'il envisage de faire, ce qui constitue une bonne façon de procéder en matière d'affaires?

M. MacDonald: Je pense que le renseignement fondamental c'est la charge que l'on prévoit pour l'avenir. Bien sûr, c'est là que joue le facteur planification, et, bien sûr, cela peut être réglé par un accord ou simplement par une bonne liaison. Mais, je le répète, pour notre part, nous serions surtout désireux d'avoir un accord lorsque nous-mêmes nous lançons dans de grandes dépenses en immobilisations. Inversement, le client pourrait demander un accord lorsqu'il n'est pas certain que nous allons pouvoir fournir toute l'énergie demandée. Mais, je pense pas que ce soit le cas ici.

M. Nielsen: Monsieur MacDonald, dans le cas précis du Yukon, je pense qu'il est juste de dire qu'il y a un genre d'association entre le service qui est aux mains des investisseurs et la Commission d'énergie du Nord canadien dans le Yukon. Je veux parler, pour citer un exemple précis, des chiffres qui figurent dans

[*Text*]

the Chairman of the Committee with respect to Carmacks. For instance, I note that on page 4 of your Appendix A you again list the Carmacks supply being supplied by the Yukon Electrical Co., listing after a hyphen NCPF hydro supply in 1969. I presume that is an anticipated supply by NCPC as a result of the construction of the transmission line from Whitehorse to Anvil. Has any agreement been reached—in the absence of an over-all agreement between NCPC and Yukon Electric—with respect to the price at which the hydro power is going to be sold to Yukon Electric for distribution in Carmacks? Or has any other agreement been reached between the two of you in this regard?

Mr. Hymphrys: Not as yet.

Mr. Nielsen: Have you started negotiations?

Mr. Humphrys: Yes.

Mr. Nielsen: Is it your intention to enter into a firm written agreement?

Mr. Humphrys: If we can do so, yes.

Mr. Nielsen: I realize you can do it, but is it the intention of doing so?

Mr. MacDonald: I think we would have to state that it would depend upon the circumstances at the time.

Mr. Nielsen: What circumstances, Mr. MacDonald?

Mr. MacDonald: The circumstances that would be prevailing at the time. I, as a member of the Commission, would want to see what it is we were entering into agreement about, and what interest there was between the parties.

Mr. Nielsen: I do not want to split hairs here and I do not think I am doing so, but if the Commission is going to sell power to Yukon Electric, and if it is going to be sold at X cents per kilowatt hour, and if Yukon Electric is going to be expected to be obliged to pay this amount to NCPC, would it not be common business prudence to have them enter into a firm agreement to oblige themselves contractually to pay for the power than they get from NCPC?

Mr. MacDonald: That could be the desirable thing. On the other hand, I simply do not want to say right now, "Yes, we will enter into an agreement," because that might be thought to represent an agreement, and I should not like to be under that kind of com-

[*Interpretation*]

le mémoire que vous avez présenté au président du Comité au sujet de Carmacks. Je vois qu'à la page 4 de votre Appendice A, vous indiquez l'alimentation en énergie de Carmacks comme provenant de la *Yukon Electrical Co.* alimentée à son tour, en 1969, par l'usine hydro-électrique de la C.E.N.C. Je suppose que la C.E.N.C. prévoit de fournir cette énergie à la suite de la construction de la ligue de canalisation entre Whitehorse et Anvil. En l'absence d'un accord global entre la CENC et la *Yukon Electrical Co.* avez-vous conclu un accord relatif au prix auquel vous allez vendre de l'énergie électrique à la *Yukon Electrical Co.* pour que celle-ci la distribue à Carmacks ou quelque autre accord à cet égard?

M. Humphrys: Pas pour le moment.

M. Nielsen: Est-ce que des négociations ont été entamées?

M. Humphrys: Oui.

M. Nielsen: Est-ce que vous avez l'intention de conclure un accord écrit ferme?

M. Humphrys: Si cela est possible, oui.

M. Nielsen: Je sais bien que vous pouvez le faire, mais en avez-vous l'intention?

M. MacDonald: Je pense devoir répondre que tout dépendrait des circonstances du moment.

M. Nielsen: De quelles circonstances, monsieur MacDonald?

M. MacDonald: Des circonstances qui prévaudraient à ce moment-là. En tant que membre de la Commission, je voudrais savoir sur quoi allait porter l'accord, et quel intérêt il y avait entre les parties en cause.

M. Nielsen: Je ne veux pas couper les cheveux en quatre, et je ne pense pas le faire, d'ailleurs. Mais si la Commission doit vendre de l'énergie à la *Yukon Electrical Co.*, qu'elle doive la vendre à X cents le kilowatt, et que la *Yukon Electrical Co.* doive payer cette somme-là à la C.E.N.C. est-ce que la prudence normale ne dicterait pas que l'on exige de cette société un accord ferme qui l'obligerait par contrat à payer l'énergie qu'elle recevra de la C.E.N.C.?

M. MacDonald: Peut-être serait-ce souhaitable. D'autre part, je ne veux pas dire dès maintenant que nous allons conclure un accord, car on pourrait considérer cela comme un engagement de ma part, et je ne voudrais pas être obligé de conclure un

[*Texte*]

pulsion until I see what it is we are agreeing about.

An agreement could provide the things that you were talking about. On the other hand, making power available for sale at the standard rates, with a willing buyer and a willing seller, could also cover it, as in fact it does frequently without the necessity of an agreement. I think if we have an agreement it will be because both parties consider that it is mutually advantageous to have an agreement.

Mr. Nielsen: I find that very hard to accept, Mr. MacDonald. I would suggest to you that it is only common ordinary business prudence and practice for one party when it sells something to another, particularly here where perhaps it exceeds $500,000 a year, to oblige that other party to pay for it, and the other party to oblige NCPC to supply it.

Mr. MacDonald: I do not dispute the necessity to oblige the party to pay for it, Mr. Nielsen, but I am not at all convinced that it necessarily implies having an agreement.

Mr. Nielsen: For instance—perhaps Mr. Humphrys has the answer to this question—power is now supplied or has been supplied to Bear Creek community. Is that correct?

Mr. Humphrys: Yes.

Mr. Nielsen: Is this being billed now, or how is it being paid for? What arrangement exists for this?

Mr. Humphrys: It is being billed to the consumer at Bear Creek in the same fashion as any other consumer in the Dawson area, and he pays the bill.

Mr. Nielsen: And how does the power get out to Bear Creek?

Mr. Humphrys: By a transmission line.

Mr. Nielsen: Who owns the transmission line?

Mr. Humphrys: The Yukon Consolidated Gold Corporation.

Mr. Nielsen: Does the NCPC pay any rent on that line?

Mr. Humphrys: No, there is an agreement with the consumer that the transmission line would remain intact and he would be supplied with power at the Dawson rates. If they

[*Interprétation*]

accord tant que je ne saurai pas sur quoi va porter l'accord.

Un accord pourrait inclure les dispositions dont vous parlez. D'autre part, si l'on fournit de l'énergie à vendre au taux normal, et que le vendeur et l'acheteur soient consentants, cela peut suffire aussi, et suffit d'ailleurs souvent, sans que l'on ait besoin de conclure un accord. Si nous concluons un accord, ce sera, je pense, que les deux parties considéreront que cela est avantageux.

M. Nielsen: J'ai beaucoup de mal à accepter ce point de vue, monsieur MacDonald. Je dirai que c'est une question de prudence commerciale normale: la façon de procéder courante est que la partie qui vend à une autre partie, et tout particulièrement lorsqu'il peut s'agir, comme c'est le cas ici, d'un demi-million de dollars par an, oblige cette autre partie à payer, et que cette autre partie, à son tour, oblige la C.E.N.C. à fournir l'énergie demandée.

M. MacDonald: Je ne nie pas qu'il soit nécessaire d'obliger l'autre partie à payer, monsieur Nielsen, mais je ne suis pas du tout persuadé que cela suppose la conclusion d'un accord.

M. Nielsen: Par exemple—peut-être M. Humphrys a-t-il la réponse à cette question—on fournit actuellement, ou l'on a fourni de l'énergie à la collectivité de Bear Creek. Est-ce exact?

M. Humphrys: Oui.

M. Nielsen: Est-ce que l'on envoie actuellement la facture, ou comment se font les paiements? Quelle est l'entente à cet égard?

M. Humphrys: La facture est envoyée au consommateur de Bear Creek comme à tout autre consommateur de la région de Dawson, et c'est lui qui paie la note.

M. Nielsen: Et comment envoie-t-on l'énergie à Bear Creek?

M. Humphrys: Par une ligne de canalisation.

M. Nielsen: A qui appartient cette ligne?

M. Humphrys: A la *Yukon Consolidated Gold Corporation.*

M. Nielsen: Est-ce que la C.E.N.C. paie la location de cette ligne?

M. Humphrys: Non, il y a accord avec le consommateur selon lequel cette ligne de canalisation restera intacte et l'on fournira à celui-ci de l'énergie au taux en vigueur à

[*Text*]

choose not to have the transmission line there then some other arrangements would have to be made. But it is in his interest to have power at the Dawson rates at the present time.

Mr. Nielsen: Well, let us leave the question of agreements for a moment. In dealing with those parts of the Appendix to your letter to the Chairman, Mr. MacDonald, which refer to Fort Resolution, are any calculations taken into account for federal income taxes when arriving at those conclusions, or for any other normal business overhead of such a nature?

• 2010

Mr. MacDonald: The answer to the income tax question is "no", and to the normal overhead "yes."

Mr. Nielsen: Does NCPC in fact pay any federal income tax?

Mr. Humphrys: No.

Mr. Nielsen: Do they pay any territorial taxes?

Mr. Humphrys: Yes, we pay a territorial fuel tax.

Mr. Nielsen: Fuel tax. Which is applicable only in the Northwest Territories. Is that correct?

Mr. Humphrys: That is correct.

Mr. Nielsen: There is no such fuel tax in the Yukon?

Mr. Humphrys: Correct.

Mr. Nielsen: Do NCPC pay any municipal taxes in any of these communities?

Mr. Humphrys: We pay a grant in lieu of taxes equal to the normal assessment and the normal tax rate of the community on executive and administrative property.

Mr. Nielsen: Does that mean on the homes?

Mr. Humphrys: Yes.

Mr. Nielsen: Because that is all there are.

Mr. Humphrys: New office property.

Mr. Nielsen: But the office property in the Yukon is not within the municipality, except in Dawson. Is that correct?

Mr. Humphrys: I think that is correct at the present moment, yes.

[*Interpretation*]

Dawson. Si l'on décidait de ne pas avoir cette ligne de canalisation, il faudrait conclure d'autres accords. Mais pour le moment, c'est dans l'intérêt du consommateur d'avoir de l'énergie au taux en vigueur à Dawson.

M. Nielsen: Laissons de côté un instant la question des accords. Monsieur MacDonald, dans les parties de l'appendice à votre lettre adressée au président qui ont trait à Fort Resolution, est-ce que l'on a tenu compte, pour en arriver à ces conclusions, du calcul de l'impôt fédéral sur le revenu ou de tous autres frais généraux normaux de cet ordre?

M. MacDonald: On a tenu compte des frais généraux, oui, mais pas de l'impôt sur le revenu.

M. Nielsen: En fait, est-ce que la C.E.N.C. paie un impôt fédéral sur le revenu?

M. Humphrys: Non.

M. Nielsen: Paie-t-elle des taxes territoriales?

M. Humphrys: Oui, elle paie une taxe territoriale sur le combustible.

M. Nielsen: Sur le combustible. Cette taxe ne vaut que dans les Territoires du Nord-Ouest. Est-ce exact?

M. Humphrys: Oui.

M. Nielsen: Il n'y a pas de taxe sur le combustible dans le Yukon?

M. Humphrys: Non.

M. Nielsen: Est-ce que la C.E.N.C. paie des taxes municipales dans certaines de ces collectivités?

M. Humphrys: Elle paie une subvention en remplacement de l'impôt équivalente à la cote normale et au taux normal de l'impôt sur les biens immobiliers de l'administration et de la gestion.

M. Nielsen: Entendez-vous par là l'impôt sur les bâtiments?

M. Humphrys: Oui.

M. Nielsen: Parce que c'est tout ce qu'il y a.

M. Humphrys: Les nouvelles propriétés du Bureau.

M. Nielsen: Mais les propriétés qui constituent ce bureau ne se trouvent pas dans la municipalité, sauf à Dawson, n'est-ce pas?

M. Humphrys: C'est exact, en ce moment.

[*Texte*]

Mr. Nielsen: Mr. Chairman, I do not want to take up the whole of the time of the Committee. Perhaps Mr. Smerchanski and others might wish to intervene at this time.

The Chairman: Mr. Smerchanski.

Mr. Orlikow: Mr. Chairman, I would like to raise a point of order. What is the procedure we are following, not just tonight, but what is the procedure we are following in our hearing? Are we agreed on a time period during which a member can ask questions?

The Chairman: We have not discussed this so far in the Steering Committee. It is my feeling that we should limit a member to a maximum of 15 minutes. After he has used up his 15 minutes, if all other members have had a chance to speak, then he would be allowed again. Perhaps if it is agreeable to the Committee, we could make this an order of the Committee now for the remainder of our hearings in this session. Is 10 or 15 minutes—?

Mr. Nielsen: Mr. Chairman, may I speak to that point of order with your permission? I realize that my friends are perhaps impatient with one particular member taking up what appears to be an inordinately disproportionate amount of the time of the Committee. But here we are dealing with a Commission whose operations are confined to two specific areas in Canada with two exceptions, one plant in British Columbia and one in Alberta. And there are two members who are representing constituents who are vitally concerned. While all members are interested in these areas of Canada, I would suggest that there are two who have a very specific obligation and responsibility here, and they may take a little more time than perhaps members from the more southerly parts of Canada are prepared to admit is important.

Mr. Orlikow: Mr. Chairman.

The Chairman: On the same point?

Mr. Orlikow: Yes. I was not expressing any opposition to Mr. Nielsen taking time. It is a very simple matter. Other members of the Committee may have interests in other subjects. I, for example, am developing considerable interest and considerable doubts about the educational system in the northern parts of Canada. Now, if Mr. Nielsen or anybody else can take—can carry a ball for a whole evening, that is fine with me, providing some other time I can do the same thing.

I think your suggestion, Mr. Chairman, is quite fair and all I want is that we should

[*Interprétation*]

M. Nielsen: Monsieur le président, je ne veux pas monopoliser le temps du Comité. Peut-être que M. Smerchanski, ou d'autres, voudraient prendre la parole?

Le président: Monsieur Smerchanski.

M. Orlikow: J'en appelle au règlement, monsieur le président. Quelle est la procédure que nous suivons en général? Quelle est la procédure de nos séances? Sommes-nous d'accord au sujet d'une allocation de temps à chaque député pour poser des questions?

Le président: Nous n'en avons pas discuté, au comité de direction. Il me semble que nous devions limiter chaque député à un maximum de 15 minutes. Après ses 15 minutes, si chaque député a eu l'occasion de parler, on peut lui permettre de parler de nouveau. Si le Comité est d'accord, nous pourrions adopter cette procédure pour le reste de la session. Est-ce que 10 ou 15 minutes . . .

M. Nielsen: Je voudrais parler au sujet de cet appel au règlement. Je comprends que mes amis sont impatients lorsqu'un député parle beaucoup plus longtemps que les autres. Mais on discute d'une Commission dont l'exploitation se limite à deux régions du Canada avec deux exceptions, une centrale en Colombie-Britannique et une autre en Alberta. Il y a deux députés qui représentent les comtés intéressés. Bien que tous les députés soient intéressés à ces régions du Canada, il y en a deux qui ont des responsabilités très particulières à l'égard de ces comtés et peut-être prendront-ils plus de temps que les députés des autres régions du Canada ne voudraient reconnaître l'importance.

M. Orlikow: Monsieur le président.

Le président: Sur la même question?

M. Orlikow: Oui. Je n'ai exprimé aucune objection à ce que M. Nielsen prenne tout le temps qu'il veut pour poser des questions. La question est très simple. D'autres membres du Comité peuvent s'intéresser à d'autres sujets; moi-même je m'intéresse énormément et je doute sérieusement du système d'enseignement dans les parties septentrionales du Canada. Si M. Nielsen ou quelqu'un d'autre veulent passer toute la soirée à poser des questions, je suis bien d'accord à condition que je puisse en faire autant une autre fois.

Je crois que votre proposition est juste, monsieur le président. Je voudrais que l'on

[*Text*]

adopt a procedure which is applicable at every meeting and equitable to every member. And I think your suggestion is quite fair.

The Chairman: Mr. Deakon.

Mr. Deakon: Mr. Chairman, I understand the concern of Mr. Nielsen who is the member from that particular area and I think we should amalgamate both ideas and adopt a policy such as you have recommended, subject to the consideration Mr. Nielsen brought up that these people should be entitled to speak longer than a 15-minute period.

The Chairman: Well, Mr. Deakon and Mr. Nielsen, I would expect that the Committee members present tonight would not have the same number of questions or want to occupy very much of the time, and I would expect that after the remaining members of the Committee have asked their questions, there will be plenty of time left for Mr. Nielsen.

• 2015

I do not think that Mr. Nielsen will run into a problem with time limit tonight. And I would expect that if similar occasions should arise in the future, members will act in the same manner. If somebody has a very specialized field of interest and that topic is before him, it would be likely that he would have more time than the others. But I think that for purposes of orderly procedure, we should adopt an order to this effect. We can perhaps discuss the length of time—10 minutes or 15 minutes—but I think 15 minutes is probably a fair maximum.

Mr. Kaplan.

Mr. Kaplan: Could you put the question? I wanted to suggest on a point of order that we settle it and have a vote and see whether or not it would be 15 minutes.

Mr. Nielsen: On a point of order. I think we are treading some very dangerous ground. Is it in order even to make such a motion? As I understand it, Mr. Chairman, the proceedings here are governed by the new rules that have been implemented in the House, and the rules of debate and time limits apply here equally as they do there. I think we would be setting a very dangerous precedent to...

The Chairman: Gentlemen, since it is not an issue tonight, because we are going to give Mr. Nielsen plenty of time tonight, would everyone agree that we refer this to the Steering Committee? We will make sure we do it in a legal manner, and we will come back at the next meeting with a properly prepared order. Agreed?

[*Interpretation*]

adopte une procédure qui sera valable à toutes les séances et qui serait juste envers tous les députés. Merci, monsieur le président.

Le président: Monsieur Deakon.

M. Deakon: Je comprends l'intérêt de M. Nielsen qui représente ces régions; il me semble qu'on devrait fondre les deux idées et adopter la politique que vous recommandez sous réserve que, comme le dit M. Nielsen, ces députés puissent parler plus que 15 minutes.

Le président: Monsieur Deakon et monsieur Nielsen, je crois que les membres du Comité présents ici ce soir n'ont pas autant de questions à poser et ne prendront pas autant de temps. J'espère que lorsque les autres députés auront posé leurs questions, il restera assez de temps pour que M. Nielsen puisse poser ses questions.

Je ne pense pas que M. Nielsen manquera de temps ce soir. J'espère que si des occasions semblables se présentent à l'avenir, j'espère que les députés agiront de la même façon. Si quelqu'un s'intéresse à une question en particulier, la question à l'étude, il est fort probable que ce député jouira de plus de temps que les autres. Mais afin d'assurer une procédure ordonnée, il me semble qu'on devrait adopter un règlement à cet effet. On pourrait discuter pour savoir s'il faut accorder 10 ou 15 minutes, mais il me semble que 15 minutes serait probablement acceptable. M. Kaplan?

M. Kaplan: Voulez-vous mettre la question aux voix? Je voudrais que l'on ait un vote, pour régler la question des 15 minutes.

M. Nielsen: J'en appelle au Règlement. Il me semble qu'on discute une question épineuse. Je ne sais même pas si une telle motion est recevable. Si je comprends bien, c'est le nouveau Règlement adopté par la Chambre qui gouverne notre procédure et limite les débats qui est en vigueur ici, autant qu'à la Chambre des communes. Je crois que ce serait un précédent dangereux, si...

Le président: Il ne s'agit pas d'une question à régler ce soir puisque nous accorderons à M. Nielsen tout le temps de parole qu'il désire ce soir. Est-ce que chacun est d'accord pour qu'on réfère cette question au Comité directeur?

Nous nous assurerons que tout soit dans les formes et à la prochaine réunion nous aurons un Règlement à vous soumettre. D'accord?

[*Texte*]

Some hon. Members: Agreed.

The Chairman: Mr. Smerchanski.

Mr. Smerchanski: Mr. Chairman, I have not had sufficient time to go over the tables. I would have liked to compare them with the tables supplied previously, which I am not able to do. However, I would like to find out what the reason is for the plants being owned by one department and being operated and maintained by another. To me it would seem that if the NCPC is supplying power, is it not customary to own those facilities themselves?

Mr. J. A. MacDonald (Chairman, Northern Canada Power Commission): Mr. Smerchanski, the situation is largely between the Department of Northern Development and the NCPC, and the basic reason, of course, is that the NCPC is designed primarily to be a commercial-type operation. It is designed to operate where there is a possibility of a revenue at a rate to cover the return on the costs, whereas the Department frequently has had to get into the provision of electricity on what might be called an uneconomic basis for social reasons in very small communities where the size of the plant, would hardly warrant the time of even one man. It is a part-time kind of operation. We sell the electricity at a standard rate of, I think 12 cents per kilowatt hour and the loss is in fact absorbed by the Department for the reasons I have indicated.

If and as these places grow, however, to the point where they might support somewhat more professional bases of maintenance and care, we try to have the Northern Canada Power Commission take them on. But even there, it is a transitional period, and we keep the equipment on the books of the Department, so to speak, to try to get the professional care and maintenance of the Northern Canada Power Commission to be applied to it.

Mr. Smerchanski: On page 4 you have the maintenance by NCPC. Do you take into maintenance the cost of operation and then do you in fact take any depreciation on this?

Mr. MacDonald: You refer now to the departmentally owned facilities?

Mr. Smerchanski: Yes.

Mr. Humphrys: No, there is no depreciation. The maintenance is done at cost, and I might add that this maintenance is for very small stations such as one supplying a school where the plant is normally run by the school teacher or somebody there, and the Commission technical staff from a neighbouring com-

[*Interprétation*]

Des voix: D'accord.

Le président: M. Smerchanski.

M. Smerchanski: Monsieur le président, je n'ai pas eu le temps d'étudier les tableaux. J'aurais voulu les comparer avec les tableaux qui nous ont été donnés précédemment, ce que je ne peux pas faire. Mais je voudrais savoir pourquoi les centrales sont la propriété d'un ministère et exploitées par un autre ministère? Il me semble que si la CENC fournit l'énergie, est-ce qu'il ne serait pas logique qu'elle en soit le propriétaire?

M. J. A. MacDonald (président, Commission d'énergie du Nord Canadien): Ceci est une question entre le ministère du Nord canadien et la CENC et la raison fondamentale en est que la Commission a été conçue selon les principes de l'entreprise privée. S'il y a possibilité de revenus, son exploitation se ferait à un taux qui permet de tirer un bénéfice, tandis que le ministère a souvent fourni, pour des raisons sociales, de l'énergie sur une base non économique à des collectivités très petites alors que la centrale n'offre pas suffisamment de travail pour un seul homme. C'est une exploitation à temps partiel. On vend l'énergie électrique à un taux normal de 12 cents le kilowatt-heure et la perte est absorbée par le ministère pour les raisons que je viens d'indiquer.

A mesure que ces collectivités s'agrandissent, au point où il y aurait lieu de mettre sur pied une organisation d'entretien et d'exploitation plus professionnelle, nous essayons de remettre ces centrales à la CENC. Mais, même là, c'est une période de transition, et le matériel de ces centrales demeure la propriété du ministère, pour ainsi dire, nous essayons d'en remettre l'entretien professionnel à la CENC.

M. Smerchanski: A la page 4, vous indiquez que l'entretien est fourni par la CENC. Est-ce que l'entretien comprend les frais d'exploitation? Et est-ce que vous comptez un amortissement à cet égard?

M. MacDonald: Vous voulez parler des installations qui appartiennent au ministère?

M. Smerchanski: Oui.

M. Humphrys: Non. Il n'y a pas d'amortissement. L'entretien est fait à contrat, et j'ajoute qu'il s'agit de centrales très petites, comme par exemple, celles qui alimentent une école, et c'est parfois l'instituteur ou un autre qui s'en occupe, et le personnel technique de la Commission dans une ville voisine,

[*Text*]

munity—in this instance it is generally Fort Simpson—make periodic visits to do the maintenance work.

Mr. Smerchanski: Am I correct in saying that where the Department owns the plant, the cost of operation, wages, personnel, fuel and the normal operating costs are the only items that are added to the cost of maintenance by NCPC?

• 2020

Mr. Humphrys: The cost of maintenance by NCPC is the actual cost of personnel and supplies and materials.

Mr. Smerchanski: Oh, I see. When you say maintenance you are including the cost of personnel and operation and everything else except depreciation?

Mr. Humphrys: Not of operation, no. Maintenance just means maintaining, repairing or conditioning. The operation is done by a person who lives in this community. It might be the school teacher, the Northern Service Officer or some one else.

Mr. Smerchanski: The cost of operating that plant is not included in these figures, then?

Mr. Humphrys: No.

Mr. Smerchanski: The other question I would like to ask, Mr. Chairman, is, when the Department of Transport, the Department of National Health and Welfare, the Hudson's Bay Company and an RCMP Detachment are at these locations do they usually avail themselves of the power that is generated by the Department-owned plants?

Mr. MacDonald: It would depend on the history of that particular site. It sometimes might have been a Department of Transport site from the beginning and they would have, as we would have done, started a plant themselves.

Mr. Smerchanski: Let us take specifically, Coppermine. What takes place there? Does the RCMP and/or the Hudson's Bay Company, the Department of Transport and/or the Department of National Health and Welfare use the power generated by the plant that is owned by the Department?

Mr. Humphrys: The plant is owned by the Northern Canada Power Commission now. It is operated as a Commission plant and it supplies all the power requirements of the community including all the departments.

[*Interpretation*]

Fort Simpson dans ce cas, qui le visite de temps à autre pour effectuer l'entretien nécessaire.

M. Smerchanski: Ai-je raison de dire que lorsque le ministère est propriétaire, les frais d'exploitation, de salaires et de personnel sont les seuls postes ajoutés aux frais d'entretien par la CENC?

M. Humphrys: Les frais d'entretien de la CENC sont les frais réels de personnel et de matériel.

M. Smerchanski: Lorsque vous parlez d'entretien vous employez les frais de personnel et d'exploitation, tout sauf l'amortissement?

M. Humphrys: Pas les frais d'exploitation. L'entretien comprend seulement l'entretien courant, les réparations et la remise en état. L'exploitation est faite par un résident de la Communauté. Ce peut être l'instituteur, le fonctionnaire du ministère du Nord canadien ou quelqu'un d'autre.

M. Smerchanski: Alors, le coût d'exploitation de la centrale n'est pas inclus dans ces chiffres?

M. Humphrys: Non.

M. Smerchanski: L'autre question que je voudrais poser est celle-ci: lorsque le ministère du Transport, le ministère de la Santé, la compagnie Hudson Bay et le détachement de la Gendarmerie royale sont installés à cet endroit, utilisent-ils l'énergie produite par les centrales du ministère?

M. MacDonald: Tout dépend de l'endroit. C'était peut-être au début une centrale du ministère des Transports. Peut-être avaient-ils mis la centrale sur pied eux-mêmes.

M. Smerchanski: Prenons un exemple concret, à Coppermine, qu'est-ce qui se passe? Est-ce que la Gendarmerie royale, Hudson Bay Company, le ministère des Transports et le ministère de la Santé utilisent l'énergie produite par la centrale qui est la propriété du ministère?

M. Humphrys: Cette centrale est la propriété de la Commission de l'énergie du Nord canadien. Elle est gérée comme une usine de la Commission et elle fournit toute l'énergie de la communauté, y compris les autres ministères.

[*Texte*]

Mr. Smerchanski: All the departments purchase it at the same rate of 12 cents and any deficit is absorbed by the Commission?

Mr. Humphrys: That is right. No, not by the Commission, by the Department.

Mr. Smerchanski: By the Department?

Mr. Humphrys: Yes.

Mr. Smerchanski: Do I understand then that the diesel plant at Coppermine is owned by the Department?

Mr. Humphrys: No, the one at Coppermine is owned by the Northern Canada Power Commission with the power supplied at 12 cents per kilowatt hour to all consumers. The deficit is billed to the Department of Northern Affairs.

Mr. Smerchanski: I see, so in other words, the power plant at Coppermine is operated by Northern Canada Power Commission and the power is sold at 12 cents, but anything that goes to a loss position is charged back to the Department?

Mr. Humphrys: That is correct.

Mr. Smerchanski: In fact then, the Department of Indian Affairs is subsidizing to a smaller or a greater extent the RCMP if they use the power, the Hudson's Bay Company if they use the power, the Department of Transport if they use the power and the Department of Health if they use the power.

Mr. Humphrys: That is correct.

Mr. Smerchanski: Do these four agencies, in fact, use power at Coppermine?

Mr. Humphrys: Yes, indeed, they do.

Mr. Smerchanski: Mr. Chairman, I have one other question that I would like to have answered. Is there any reason why or has anything been done to find out from the Hudson's Bay Company whether or not they can operate, maintain or own these plants and resell the power on a more reasonable basis in some of these outlying points where they have an establishment than is being done by NCPC at the present time?

Mr. MacDonald: I do not think that has ever been said of the Hudson's Bay Company. I do not think we have ever inquired into that possibility.

Mr. Humphrys: I might add that they have been more than anxious to buy power if it were available, regardless of cost, rather than run their own plant in communities where we are operating.

[*Interprétation*]

M. Smerchanski: Tous les ministères l'achètent au tarif de douze sous, et le déficit est payé par la Commission?

M. Humphrys: C'est juste. Oh non pas par la Commission, par le ministère.

M. Smerchanski: Par le ministère?

M. Humphrys: Oui.

M. Smerchanski: Dois-je comprendre que la centrale diesel de Coppermine est la propriété du ministère?

M. Humphrys: Non, celle de Coppermine est la propriété de la Commission de l'énergie du Nord canadien et l'énergie est vendue 12 cents le kilowatt à tous les consommateurs. Le déficit est facturé au ministère du Nord canadien.

M. Smerchanski: Je vois, en d'autres termes, la centrale de Coppermine est exploitée par la Commission de l'énergie du Nord canadien et l'électricité est vendue douze cents le kilowatt, et tout le déficit est facturé au ministère.

M. Humphrys: C'est juste.

M. Smerchanski: En fait, alors, le ministère des Affaires indiennes subventionne, à plus ou moins grande échelle, la Gendarmerie royale, la compagnie Hudson Bay, le ministère des Transports et le ministère de la Santé, s'ils utilisent l'énergie produite.

M. Humphrys: C'est juste.

M. Smerchanski: Est-ce qu'à Coppermine, ces quatre groupes utilisent l'énergie?

M. Humphrys: Oui, ils l'utilisent.

M. Smerchanski: Monsieur le président, j'ai une autre question: A-t-on cherché à savoir si la compagnie Hudson Bay, là où elle est implantée, pourrait exploiter, entretenir ou posséder ces centrales et vendre l'énergie sur une base plus raisonnable que ne le fait la CENC?

M. MacDonald: Je ne pense pas qu'on ait dit cela. Je ne crois pas qu'on ait jamais étudié cette possibilité.

M. Humphrys: Je dois dire qu'ils ont toujours été prêts à acheter l'énergie, si nous en produisions, à n'importe quel prix, plutôt que d'avoir leur propre centrale.

[*Text*]

Mr. MacDonald: In most of these small communities, you know, the provision of power is more of a nuisance problem.

Mr. Nielsen: If you would permit me to interject, is the inference that we are to draw from the answers of both Mr. Humphrys and Mr. MacDonald that it just does not pay private entrepreneurs to get into the power business in the north?

Mr. MacDonald: In the small communities that we are speaking of the answer would be, yes. It would not pay and I doubt if it would pay anybody. When you have to run a plant with the parttime assistance of a teacher—

Mr. Nielsen: The teacher operates it at Old Crow. Does this apply to Old Crow, Teslin, Burwash Landing, Beaver Creek and to all of these other communities in the Yukon with 40, 50 or 60 people?

Mr. MacDonald: Generally speaking, the problem is one of a classic nature. When you have a very small consumptive load the real cost of power is probably higher than most people in the community could afford to pay. I am not talking about commercial enterprises because they could afford whatever we had to charge but charging more for the goods in which the people in the communities

• 2025

were interested. So there is a powerful element of social need involved in this.

Mr. Nielsen: Is this why NCPC did not supply power to these smaller communities in the Yukon between 1948 and now?

Mr. MacDonald: I cannot give you the reason why NCPC did or did not do anything in that period of time. I know the history of the development of the Northern Canada Power Commission which originally was to supply power where private enterprise would not. There has been a gradual evolvement of this policy under various governments.

Mr. Smerchanski: Mr. Chairman, I would like to ask quite a few more questions, but I would like, as I said, to compare some of these costs which I, as yet, have not had a chance to do. I will come back later. Thank you.

Mr. Nielsen: Mr. Chairman, I have just one related question to the one raised by Mr. Smerchanski, concerning Coppermine. I left the impression previously that Mr. MacDonald had not answered my questions at a previous meeting concerning the element of

[*Interpretation*]

M. MacDonald: Dans la plupart de ces petites collectivités, fournir l'énergie est plutôt un ennui.

M. Nielsen: Permettez-moi d'intervenir, mais il semble ressortir des propos de MM. Humphrys et MacDonald qu'établir une centrale électrique dans le Nord ne permet pas de réaliser des bénéfices.

M. MacDonald: Dans les petites communautés dont nous parlons, oui. On ne peut faire de bénéfices, quel que soit l'exploitant. Lorsqu'il faut faire marcher une centrale avec l'instituteur...

M. Nielsen: C'est l'instituteur qui la fait marcher à Old Crow. Cela s'applique-t-il à Old Crow, Teslin, Burwash Landing, Beaver Creek et toutes ces collectivités du Yukon de 40, 50 ou 60 personnes?

M. MacDonald: Le problème est classique, lorsqu'il y a très peu de consommateurs, le coût de l'énergie est beaucoup plus élevé que ce que la plupart des consommateurs peuvent payer. Je ne parle pas des entreprises commerciales, car elles seraient disposées à payer ce que nous leur demandons, mais elles répercuteraient ce supplément de frais sur leurs marchandises. Donc, il y a là un aspect social.

M. Nielsen: Est-ce la raison pour laquelle la CENC n'a pas fourni d'énergie entre 1948 et maintenant à ces petites communautés du Yukon?

M. MacDonald: Je ne peux pas donner de raison pour laquelle la CENC n'a pas fourni d'énergie pendant cette période.

La Commission de l'énergie du Nord canadien a été instituée pour fournir l'énergie là où l'entreprise privée ne pouvait le faire. Cela a été la politique des divers gouvernements.

M. Smerchanski: Monsieur le président, je voudrais poser quelques autres questions, mais je veux comparer les coûts, et je n'ai pas pu le faire jusqu'ici. Je redemanderais donc la parole plus tard. Merci.

M. Nielsen: Une question, à la suite de celle qui vient d'être soulevée par M. Smerchanski à propos de Coppermine. J'ai eu l'impression que M. MacDonald n'avait pas répondu à mes questions soulevées à la dernière séance, concernant les subventions à Coppermine. J'avais

[*Texte*]

subsidy at Coppermine and I was quite incorrect. The answers are set forth on page 7 of Appendix "A" and show the total revenues or, at least, the expenses of $52,643 which were subsidized to the extent of $29,000 by the Department of Indian Affairs and Northern Development. Is that accurate, Mr. MacDonald?

Mr. MacDonald: Yes.

Mr. Nielsen: I have a question which arises from that and it must take the form of a suggestion to stimulate the thoughts of the other members of the Committee. I know Mr. MacDonald can answer it. The suggestion is advanced here that because the Department pays $29,000 of a $52,000 expense, it is not operating in compliance with the terms of the Act which requires every station to be self-sufficient.

Mr. MacDonald: This is on the account of the Department which is not governed by the Northern Canada Power Commission Act.

Mr. Nielsen: But you are the Chairman.

Mr. MacDonald: I am the Chairman.

Mr. Nielsen: You are the Deputy Minister of the Department.

Mr. MacDonald: I am both, but in separate capacities. The Commission must operate in accordance with the Act. The Department of Northern Affairs operates under the Department of Indian Affairs and Northern Development Act and if we have sufficient authority under the latter Act to do what we have done and we think we have, then what we have done is, I think, quite proper.

Mr. Nielsen: This gives rise to the natural sequel to that question then, Mr. MacDonald. As a personal opinion, if you feel like advancing it, do you believe that the two positions should be separated and that there should be a Chairman of the Commission who is not connected with the Department?

Mr. MacDonald: Both as an official and as a personal opinion I can say, no, I do not think so, because the Northern Canada Power Commission is a very important instrument of economic development of the north and one of the main purposes of the Department of Northern Development is the economic development of the north. There is a very close interrelationship between these two elements. The capital required for the development and the possibility of hydro development in advance of need both demand the very

[*Interprétation*]

tort. Les réponses se trouvent à la page 7 de l'appendice A; on y indique le revenu en total, du moins les dépenses totales: 52,243 dollars, et une subvention de 29,000 dollars qui a été payée par le ministère des Affaires indiennes et du développement du Nord canadien. Est-ce que c'est juste, monsieur MacDonald?

M. MacDonald: Oui.

M. Nielsen: J'ai une question qui relève de cela et elle doit prendre la forme d'une suggestion pour stimuler les membres du Comité. Je sais que M. MacDonald pourra répondre. J'avance que lorsque le ministère paie 29,000 dollars des 52,000 dollars de dépenses, il n'exploite pas en conformité avec la Loi qui demande que chaque centrale soit financièrement autonome.

M. MacDonald: Eh bien ça, c'est sur le compte du ministère qui n'est pas régi par la Loi sur la Commission de l'énergie du Nord canadien.

M. Nielsen: Mais vous êtes le président.

M. MacDonald: Je suis le président.

M. Nielsen: Vous êtes sous-ministre.

M. MacDonald: Je suis les deux, mais avec des pouvoirs séparés. La Commission doit fonctionner conformément à la Loi. Le ministère du Nord canadien obéit à la Loi sur le ministère des Affaires indiennes et du développement du Nord canadien et nous avons suffisamment de pouvoir de par cette loi-là, pour faire ce que nous pensons être notre devoir. Et ce que nous avons fait est, me semble-t-il, parfaitement correct.

M. Nielsen: Monsieur MacDonald, personnellement est-ce que vous pensez que les deux postes devraient être séparés, et qu'il devrait y avoir un président de la Commission qui n'appartienne pas au ministère?

M. MacDonald: Eh bien, personnellement, et officiellement, je dois vous dire que non, je ne pense pas, parce que la Commission de l'énergie du Nord canadien est un instrument très important pour le développement économique du Nord et l'un des plus importants objectifs de ce ministère c'est le développement du Nord. Et par conséquent, il y a un rapport très étroit entre les deux. Il faut beaucoup de capitaux pour le développement et la possibilité de développement de l'énergie électrique en avance des besoins. Ces deux

[*Text*]

closest of collaboration and co-operation between the two elements.

Mr. Nielsen: Would that collaboration be deleteriously affected if the Chairman and the Deputy Minister were separate individuals?

Mr. MacDonald: I do not know, but I can tell you it is very much facilitated by the present arrangement.

Mr. Nielsen: You are not suggesting for a moment, of course, that private investment capital is not equally and perhaps even more important in the development of the north than is government capital?

Mr. MacDonald: I did not think I was talking about capital, Mr. Nielsen. I was talking about two entities and whether co-operation was served by having one man as head of both. On the subject of private capital, of course, I think you know we are doing our very best to sollicit it and to facilitate it in every way possible and, I am happy to say, with a great deal of success, as you are well aware of what is happening in the north today.

Mr. Nielsen: Does our view with respect to the attraction of capital also hold true to the development of power in the north?

Mr. MacDonald: I think the Northern Canada Power Commission was created because Parliament and the government felt that that, in fact, was not forthcoming. I would think that this is likely to be the case again, given the circumstances in the north and the very high cost problems, but whether or not one

• 2030

can find some finite measurer or relative measurement I would not care to hazard a guess.

The Commission is able, I think, due to the fact that it is a public entity to receive the capital for investment in the facilities at the government's cost of borrowing, which is as favourable a cost if not a more favourable cost than anywhere else, and able to take peirods of amortization for the return of the capital which is probably beyond what normal investors, I think, could do given all the range of alternative investments available to them.

So the likelihood is that in most instances you have a lower cost structure in so far as those elements are involved.

Mr. Nielsen: Let me put it very bluntly, then, Mr. MacDonald. Do you feel there is a place for investor-owned utilities in the

[*Interpretation*]

choses demandent beaucoup de collaboration et une coopération étroite entre les deux services.

M. Nielsen: Est-ce que cette collaboration serait beaucoup plus mauvaise si le président et le sous-ministre étaient distincts.

M. MacDonald: Je ne sais pas, mais je peux vous dire que la situation actuelle facilite bien les choses.

M. Nielsen: Vous ne voulez pas dire pour autant que les capitaux privés sont aussi nécessaires, sinon plus, pour le développement du Nord que les capitaux publics?

M. MacDonald: Je ne pensais pas parler de capitaux, monsieur Nielsen. Je parlais de deux entités et de la question de savoir si la coopération serait meilleure avec deux personnes plutôt qu'une seule. En ce qui concerne le capital privé, je pense que nous faisons tout ce que nous pouvons pour l'attirer, et je suis heureux de dire que nous y réussissons assez bien. Vous savez ce qui se passe dans le Nord actuellement.

M. Nielsen: Est-ce que cela est vrai aussi de l'aménagement électrique du Nord?

M. MacDonald: Je pense que la Commission de l'énergie du Nord canadien a été créée parce que le gouvernement et le Parlement pensaient que cela n'allait pas se produire. Je pense que cela se reproduira encore une fois, étant donné la situation dans le Nord, et le coût très élevé des choses, mais la question de mesurer, là, je ne peux pas faire une évaluation moi-même.

La Commission peut je pense, étant donné qu'il s'agit d'un organisme public, recevoir les capitaux d'investissement au taux d'emprunt du gouvernement, taux au moins aussi favorable qu'ailleurs et que l'on peut amortir sur de longues périodes, ce que l'investisseur ne peut se permettre.

Donc, il est probable que, dans la plupart des cas, vous obtenez une structure de coût inférieur.

M. Nielsen: Alors, je vais vous dire très directement, monsieur MacDonald, pensez-vous qu'il y ait dans le Yukon et dans les

[*Texte*]

Yukon and in the Northwest Territories? The two situations are different so I think, perhaps, they should be answered separately. Is there a place for investment-owned utilities in either of these jurisdictions?

Mr. MacDonald: I really think I am being driven closer and closer to the statement of government policy, Mr. Nielsen.

Mr. Nielsen: All right, if that embarrasses you I will stop.

Mr. MacDonald: I am trying to be as forthcoming as I possibly can.

Mr. Nielsen: I certainly do not want you to put anything on the record you would be sorry for. Do you feel if there is a place for investor-owned utilities in the North that their respective areas of jurisdiction and operation should be defined?

Mr. MacDonald: If I can go back to the point I was making about private capital in general, then we certainly would endeavour to make the total climate to capital known as clearly as possible because we recognize this is one of the factors affecting likely investment. Does that answer your question?

Mr. Nielsen: No, it does not. Do you not think it desirable for there to be an exact definition of the area in which government should be operating in this field in the North and the exact area in which investor-owned utilities should be operating? Let us take an example—and I am not suggesting this as policy—that government should produce the power and investor-owned utilities distribute it. Do you think there should be such an exact definition?

Mr. MacDonald: If you are asking me whether it is better if everybody knows what the score is in any situation I obviously have to answer yes. However, whether the score is the one you have indicated I could not, of course, answer without indicating policy.

Mr. Nielsen: No, and I am not holding it out as such either. I will defer, Mr. Chairman.

Mr. Thomson (Battleford-Kindersley): I will change the pattern of questioning now, Mr. Chairman. I was wondering if the Department of Indian Affairs and Northern Development had done any investigation in regard to

[*Interprétation*]

Territoires du Nord-Ouest, les possibilités pour les services appartenant à l'entreprise privée? Les deux cas ne sont pas pareils; par conséquent, je pense que vous devriez répondre à ces questions, une à la fois. Y a-t-il des possibilités d'investissements pour les services des entreprises privées dans ces endroits?

M. MacDonald: Monsieur Nielsen, je pense que je me sens poussé de plus en plus vers une déclaration portant sur la politique du gouvernement.

M. Nielsen: Très bien, si cela vous gêne, j'arrêterai.

M. MacDonald: J'essaie d'être aussi ouvert que je ne puis l'être.

M. Nielsen: Je ne veux certainement pas vous faire dire des choses que vous regretteriez. S'il y a de la place pour les services d'utilités appartenant à l'entreprise privée, croyez-vous que leurs domaines de compétence devraient être définis?

M. MacDonald: Eh bien, pour en revenir à ce que je disais précédemment sur les capitaux privés en général, certainement, nous essayerons de faire connaître la situation aux investisseurs car c'est l'un des facteurs qui affectent l'investissement éventuel. Cela répond-il à votre question?

M. Nielsen: Non, pas du tout. Ne pensez-vous pas qu'il soit souhaitable que l'on définisse exactement le secteur dans lequel le gouvernement devrait agir dans le Nord et la région que les services appartenant aux investisseurs privés pourraient exploiter? Je vais citer un exemple, et cela n'a rien à voir avec la politique, où le gouvernement pourrait produire l'énergie et laisser la distribution aux services d'investissements privés. Croyez-vous qu'il devrait y avoir une définition de ce genre?

M. MacDonald: Vous me demandez s'il est préférable que quelqu'un sache exactement à quoi s'en tenir; forcément je vous dirai oui. Cependant, si le résultat est bien celui que vous avez critiqué, je ne pourrais y répondre sans que ma réponse porte sur la politique du gouvernement.

M. Nielsen: Je cède mon tour, monsieur le président.

M. Thomson (Battleford-Kindersley): Je vais changer la nature des questions. Monsieur le président, je voudrais savoir si le ministère des Affaires indiennes et du Nord canadien avait enquêté sur l'utilisation du

[*Text*]

use of the air cushion vehicle—I cannot think of the same of it at the moment...

Some hon. Members: The hovercraft.

Mr. Thomson (Battleford-Kindersley): The hovercraft in connection with transportation in the North, and if so, what type of reaction have they had from it?

The Chairman: Mr. Thomson, we are on the question of electrical power in the Yukon tonight and as long as your question touches on electrical power in the Yukon then you are in order, however, if it is in a different field altogether...

Mr. Thomson (Battleford-Kindersley): I will pass, Mr. Chairman.

Mr. Smerchanski: Mr. Chairman, I would like to come back and ask one other question.

The Chairman: Yes. Mr. O'Connell?

Mr. O'Connell: I did not mean to cut off Mr. Smerchanski.

The Chairman: You indicated that you want a little bit of time and there are two other members who have put their hands up.

Mr. Smerchanski: That is all right; I will hold back.

The Chairman: Mr. O'Connell, go ahead.

Mr. O'Connell: Mr. Chairman, I would like to ask if we could get some idea of the trends in development of public power and the costs and average sale price in recent years in the North. I came in a little late; I do not know if these facts were covered, but if they were not could the witnesses give us some idea of the growth rate in the last five or six or more years in the production of power under the NCPC in the two territories?

Mr. Humphrys: We do have some figures, Mr. O'Connell, that in the year 1963-64 the Northern Canada Power Commission annual sales were 161 million kilowatt hours. This is for prime power, it does not include power that has been supplied to electric boilers at a

• 2035

special rate. In 1964-65 that increased to 176 million, the next year to 195 million, the next year to 240 million, and in 1967-68 it was 268 million. This indicates a growth rate in the

[*Interpretation*]

véhicule à coussins d'air, je ne peux me rappeler du nom ..

Des voix: L'aéroglisseur.

M. Thomson (Battleford-Kindersley): L'aéroglisseur pour le transport dans le Nord et si c'est le cas, quelle en a été la réaction?

Le président: Monsieur Thomson, ce soir nous discutons de l'énergie électrique dans le Yukon, et dans la mesure où vos questions portent sur l'énergie électrique dans le Nord, elles seront conformes au règlement sinon...

M. Thomson (Battleford-Kindersley): Je retire la question, monsieur le président.

M. Smerchanski: Monsieur le président, j'aimerais revenir à ce sujet et poser une autre question.

Le président: Oui. M. O'Connell?

M. O'Connell: Je ne voulais pas interrompre monsieur Smerchanski.

Le président: Vous avez indiqué avoir besoin d'un peu de temps et il y a deux autres membres qui veulent parler.

M. Smerchanski: Ça va, j'attendrai.

Le président: Vous pouvez commencer, monsieur O'Connell.

M. O'Connell: Monsieur le président, je voudrais vous demander s'il serait possible d'avoir une idée des tendances d'aménagement des services publics en matière d'énergie électrique et les coûts ainsi que le prix de vente dans le Nord canadien au cours des dernières années. Je suis arrivé un peu en retard. Je ne sais pas si ces faits ont déjà été abordés, mais si ça été fait, les témoins pourraient-ils nous donner une idée du taux de croissance de la production d'énergie de la C.E.N.C. durant les cinq ou six dernières années dans les deux territoires?

M. Humphrys: Eh bien, nous avons certains chiffres, M. O'Connell qui indiquent qu'en 1963-1964 les ventes annuelles de la C.E.N.C. étaient de 161 millions de kWh. pour l'énergie garantie, cela ne comprend pas l'énergie vendue à un tarif spécial pour alimenter les chaudières électriques. En 1964-1965 ce chiffre est passé à 176 millions, l'année d'après 195 millions puis 240 millions et en 1967-1968 les ventes sont passées à 268 millions. Soit une augmentation de 10 p. 100 sauf en 1966-1967 où l'augmentation était de 23 p. 100.

[*Texte*]

order of 10 per cent except in the year 1966-67 when the increase was 23 per cent.

Mr. O'Connell: Do those figures cover the two territories combined, Mr. Humphrys?

Mr. Humphrys: Yes, that is the two combined territories.

Mr. O'Connell: Would you quote again the average rate of growth per annum; was it 10 per cent or so?

Mr. Humphrys: The order of 10 per cent except in 1966-67 when it was 23 per cent. In that particular year a new mine came into operation which accounts for the very large increment.

Mr. O'Connell: Would that indicate an average rate of growth in public power fairly consistent with the rates of growth in the provinces and elsewhere?

Mr. Humphrys: Yes, it is of the same magnitude but, I think you have to recognize that a good deal of this growth is very special because it comes in big amounts because of the addition of one mine. It does not represent a growth in the community to the same extent as it does in the provinces except in possibly the communities of Whitehorse and Yellowknife. As far as the territories at large are concerned, some have shown very little growth at all. In fact, there even have been some declines, and there has been a decline in some instances—such as Mayo—in the amount of power being used for mining purposes but it has been overshadowed by the new mines coming in.

Mr. O'Connell: Together with that growth in production could the witnesses indicate if the rates charged for power have trended in any particular direction and could they measure the change?

Mr. Humphrys: In the Yukon in 1961-62 with the only industrial consumer, one mine, the rate for industrial power was 2⅝ cents per kilowatt hour; that was dropped to 2.1 cents in 1963; to 2 cents in 1964 and in 1967-68 when there was an additional mining operation the average rate was 1.75 cents per kilowatt hour for the Yukon.

In the Northwest Territories in the 1960-61 period the rate was 1.53 cents; that fell to .9 cents in 1965; in the period of 1966 to 1968 it was 1.12 cents and it appears that in 1969 it is estimated at about just under .9 cents. This is industrial power I am speaking about now, power supplied to mines.

[*Interprétation*]

M. O'Connell: Est-ce que ces chiffres couvrent les deux territoires combinés, monsieur Humphrys?

M. Humphrys: Oui, oui. Les deux.

M. O'Connell: Est-ce que vous pourriez citer le taux moyen de croissance une nouvelle fois? Vous dites 10 p. 100?

M. Humphrys: Oui, 10 p. 100 sauf pour 1966-1967 où c'était 23 p. 100. Cela vient du fait qu'il y avait une nouvelle mine qui est entrée en service ce qui explique cette importante augmentation.

M. O'Connell: Cela indiquerait-il un taux moyen de croissance de l'énergie fournie à peu près semblable aux taux de croissance dans les provinces et ailleurs?

M. Humphrys: Oui, c'est à peu près la même chose, mais je pense qu'il faut reconnaître qu'une grande partie de cet accroissement est très particulièrement dû à l'ouverture d'une nouvelle mine. Ces chiffres ne représentent pas une croissance de la communauté dans la même proportion que celle des provinces à l'exception peut-être des communautés de Yellowknife et de Whitehorse. En ce qui concerne le reste des territoires, certaines communautés n'ont accusé qu'une très faible croissance. Il y a même eu quelques diminutions de croissances et dans certains cas pour ce qui est des exploitations minières, mais elles ont été contrebalancées par l'ouverture de nouvelles mines.

M. O'Connell: Avec cette croissance dans la production, messieurs les témoins peuvent-ils nous dire si les tarifs de l'énergie électrique ont varié et dans quel sens?

M. Humphrys: Au Yukon, en 1961 et 1962 avec seulement une mine comme consommateur industriel le tarif d'énergie industrielle était de 2⅝ cents par kWh. En 1963 c'est tombé à 2.1; puis à 2 cents en 1964 et en 1967-1968, avec l'augmentation de l'exploitation minière, le tarif moyen avait baissé à 1.75 cent le kWh. pour le territoire du Yukon.

En 1960-1961, dans les Territoires du Nord-Ouest, le tarif était de 1.53; c'est tombé à 0.9 en 1965. Dans la période 1966-1968, le tarif est remonté à 1.12 et il semble qu'en 1969 il baissera à un peu moins que ce 0.9 cent. Il s'agit du tarif industriel de l'énergie fournie aux mines.

[*Text*]

Mr. O'Connell: Oh, would you have any figures that might indicate the trends in the cost in the retail price of power to domestic users?

Mr. Humphrys: We do have some figures that are not separated as between the two territories. There is a composite figure that was compiled by the Dominion Bureau of Statistics which indicates that for domestic consumption in 1960-61 it was 5.21 cents per kilowatt hour; this declined over the years to an average of 3.46 cents in 1968. There is quite a progressive decline of 5.2, 5.1, 4.5, 4.0, 3.95, 3.8, 3.5 and 3.46.

Mr. O'Connell: As your production increased the prices tended to decline?

Mr. Humphrys: Yes, and I might say those figures are utility supplied and are weighted by the fact that the domestic consumption is predominantly in the two large communities of Whitehorse in the Yukon and Yellowknife in the Northwest Territories. This does not reflect the fact that there are many smaller communities in both territories where the rate is a good deal higher than what this indicates. Also, bear in mind these are average rates; that is, average of the total cost of the total kilowatt hours divided into the total dollars paid.

Mr. O'Connell: In that connection could you say whether the wholesale price of power in Whitehorse has risen or declined in the last five or so years?

• 2040

Mr. Humphrys: It has declined.

Mr. O'Connell: Could you measure the decline?

Mr. Humphrys: Yes. It has declined from 2⅝ cents per kilowatt hour down to the present 1.25 cents per kilowatt hour in so far as our supply to the retailer is concerned.

Mr. O'Connell: In that case—I hope I am reading you correctly—you are charging less than half for the power which you are supplying to Yukon Electrical Company from the beginning of the decade to the end.

Mr. Humphrys: Yes.

Mr. O'Connell: What has been the trend in the retail price?

Mr. Humphrys: I do not have the figures on that, but they have been down; and they

[*Interpretation*]

M. O'Connell: Auriez-vous des chiffres qui indiqueraient les tendances en ce qui concerne les prix de détail de l'énergie fournie aux consommateurs privés?

M. Humphrys: Le chiffre combiné donné par le Bureau fédéral de la statistique pour les deux territoires indique que la consommation domestique pour la période de 1960-1961 était de l'ordre de 5.21 cents le kWh; au cours des années ce tarif baissait graduellement pour atteindre 3.46 cents en 1968. Il passait progressivement de 5.2 cents à 5.1, 4.5, 4.0, 3.95, 3.8, 3.5 et à 3.46.

M. O'Connell: Par conséquent, dans la mesure où votre production augmentait le prix tendait vers la baisse, n'est-ce pas?

M. Humphrys: Oui, je dois dire que ces chiffres sont les tarifs des services fournis et sont compensés du fait que la consommation domestique est en majeure partie limitée à Whitehorse, dans le Yukon, et à Yellowknife, dans les Territoires du Nord-Ouest. Cela ne tient pas compte du fait qu'il existe plusieurs petites collectivités dans les deux territoires où le tarif est plus élevé qu'il n'est indiqué ici. N'oublions pas non plus, que ce sont des tarifs moyens, c'est-à-dire une moyenne du coût total du nombre total des kilowatt-heures, divisés par le montant total de dollars payés.

M. O'Connell: A ce sujet, pourriez-vous nous dire si le prix de gros de l'énergie électrique à Whitehorse a augmenté ou diminué au cours des quelque cinq dernières années?

M. Humphrys: Oh, ça a baissé.

M. O'Connell: Dans quelle proportion?

M. Humphrys: Ça a baissé de 2⅝ cents le kwh. jusqu'à 1.25 cent le kwh. à l'heure actuelle, du moins pour ce qui est de nos fournitures au détaillant.

M. O'Connell: Dans ce cas, si je comprends bien, vous chargez moitié prix pour l'énergie que vous fournissez à la *Yukon Electrical Company*.

M. Humphrys: Oui.

M. O'Connell: Maintenant, pour le détail, pour la consommation domestique, quelle a été la tendance?

M. Humphrys: Je n'ai pas les chiffres, mais ils ont baissé. Et ils baissent de plus en plus

[*Texte*]

were progressively downward as consumption increased.

Mr. O'Connell: I think those are all the questions I have, Mr. Chairman.

Mr. Gundlock: Mr. Chairman, just a few observations actually, and perhaps one slight criticism. I found at one point 2,000 miles north of home that had I been driving my automobile I could have bought gasoline twenty cents cheaper than I can at home.

We have listened to a lot of discussion, and my criticism is that I call them excuses and apologies, particularly with reference to the development of the north and Canada as a whole. May it not be time to make a reassessment of the cost in the north?

I mentioned gasoline being twenty cents cheaper in Norman Wells, for instance, than in Lethbridge. These, roughly speaking, are 2,000 miles apart. Carrying that a little further, would that not apply to the other sources of energy? I am only guessing, but applying that on a certain scale to diesel fuel and to natural gas in particular, my guess on natural gas would be that at the well-head it would be roughly three and a half cents on that scale.

What I am suggesting, Mr. MacDonald, is that perhaps we should have a reassessment and let the Canadian public know, and particularly this Committee and the House, what the real prices of energy are, if we really want to develop and attract private capital, as Mr. Nielsen spoke about a while ago.

I think this would be a very worthwhile study because the price of energy today is certainly the prime factor in the economic development of any area. It does seem to me, just thinking lightly on it for a moment, that that sort of price must be very, very attractive today.

Mr. Chairman, I am not sure how to do it, but could we not make a reassessment, within this Committee? I feel quite strongly about this. I think it would be quite proper for this Committee to do so, even on that one point.

Mr. MacDonald: Mr. Gundlock, I could give you some immediate responses and surveys, without any desire to discourage further study. We agree with you that energy, the supply thereof and its cost are the critical elements. There are two factors, which do, and will in an important way in the future, affect the development of the north, as they will any area. One is energy, supply and cost and the other is transportation.

[*Interprétation*]

au fur et à mesure que la consommation augmente.

M. O'Connell: Voilà, je pense que c'est tout ce que j'avais à poser comme questions, monsieur le président.

M. Gundlock: Monsieur le président, simplement quelques remarques. Une simple critique, peut-être d'abord. Je constate que si j'avais conduit ma voiture, j'aurais pu acheter de l'essence à 2,000 milles de chez moi pour 20 cents moins cher que je la paie chez moi.

On a entendu beaucoup de discussions, ma critique, la voici: j'appelle cela des excuses, particulièrement en ce qui concerne l'aménagement du Nord et l'ensemble du Canada, dans le cadre du Nord canadien. Je me demande s'il ne serait peut-être pas bon maintenant de faire une réévaluation des coûts dans le Nord; je parlais de l'essence qui coûte 20 cents de moins à Norman Wells qu'à Lethbridge. Et il y a 2,000 milles de différence. Alors, si on va un peu plus loin, est-ce que cela ne peut pas s'appliquer à d'autres types d'énergie. Je demande cette question, mais si on applique ça sur une autre échelle, le mazout et le gaz naturel par exemple le gaz naturel à la sortie du puits coûterait 3.5 cents si l'on se base sur ce tarif.

Alors, ce que je voudrais proposer, monsieur MacDonald, c'est que l'on devrait réévaluer et peut-être même informer le public canadien, notamment, la Chambre, et le Comité de ce que sont les prix véritables de l'énergie. Et si on veut véritablement développer et attirer les capitaux privés, comme l'a dit M. Nielsen il y a un instant. Je pense qu'il serait très utile de faire cette étude, parce que le prix de l'énergie électrique aujourd'hui est certainement un élément fondamental pour le développement économique de toutes les régions. Et je pense qu'après avoir réfléchi à la chose, il me semble que ce genre de prix doit être très intéressant aujourd'hui.

Monsieur le président, je ne sais pas exactement comment il faut le faire, mais j'aimerais si c'est possible, que l'on nous fournisse une réévaluation. Et je suis très conscient que le Comité peut l'obtenir.

M. MacDonald: Eh bien! monsieur Gundlock, je ne pourrais pas vous donner une réponse immédiate. Je n'ai pas du tout envie de décourager une étude quelle qu'elle soit, parce qu'il y a deux objectifs que l'on doit suivre pour développer le Nord, comme n'importe quelle région. Le premier, c'est l'énergie, fourniture et coût et l'autre c'est le transport. En ce qui concerne l'énergie, vous avez parlé bien sûr de Norman Wells . .

[*Text*]

On the subject of energy you refer, of course, to Norman Wells...

Mr. Gundlock: That was just an excuse to broach the subject.

Mr. MacDonald: On the other hand, it is a very special case.

Mr. Gundlock: If I had my car there I could not drive it anywhere anyhow.

Mr. MacDonald: The refining of petroleum products produces some very odd results. You get an imbalance between what you produce

• 2045

and what you can sell. Because there is no control on the distillation you produce so much of this and you have to get so much of the rest, and the market of supply and demand then takes over.

At the present moment the potential for energy in the north is very high, but at the moment it is still a potential. Natural gas is known to be there, but it is not flowing in commercial quantities. We are fairly confident oil is going to be there is vast quantities, and not only will it affect the economy of the north but we think it will affect Canada very beneficially. And of course we know that hydro power, the other large source of energy, is available in the Yukon particularly, as well as in the Northwest Territories.

Hydro power, however, is one of the trickiest things to develop. You will recall its basic problem is that again it comes on in one fell swoop. It cannot come in neatly like diesel, which you can put in the turbine plant and work it up.

If we go into developing some of the hydro potential in the Yukon, which is really quite vast, we will have to measure up a market; and the market for the kind of developments which could take place, with any probability, in the Yukon would go right down to California, and that would require federal, provincial, United States and state discussions. I can tell you that these kinds of discussions are going on at the present time. We are alive to this question. The future is pretty bright, but there is a gap in the realization of these things, in terms of lower energy cost.

Natural gas will probably be the first and most important element in an energy source at low cost, because it will probably be near several developments and is easily transportable by pipeline. If we happen to have some fortunate concurrences of the availability of gas and some mineral deposits we can probably have some very exciting developments.

[*Interpretation*]

M. Gundlock: C'était simplement une excuse pour aborder le sujet.

M. MacDonald: Mais c'est un cas très particulier.

M. Gundlock: Si j'avais ma voiture là-bas, je ne pourrais aller nulle part.

M. MacDonald: Et le raffinage du pétrole donne des résultats très bizarres. Vous avez un déséquilibre entre ce que vous produisez et ce que vous pouvez vendre. Il n'y a pas de contrôle de la distillation. Il faut en supprimer une telle quantité.

Mais, actuellement les possibilités énergétiques dans le Nord sont élevées, mais cela reste toujours des possibilités. Le gaz naturel, il y en a, mais il n'est pas encore produit en quantité rentable. Le pétrole, il y en a à revendre, et il va non seulement affecter l'économie du Nord mais certainement l'économie canadienne dans son ensemble, et cela de façon très favorable. Et nous savons également que les autres sources énergétiques, par exemple, l'énergie hydroélectrique dont le Nord possède un énorme potentiel, mais l'énergie hydroélectrique est un élément très spécial parce que l'énergie électrique non utilisée est perdue.

Mais nous allons développer et aménager le Yukon. Il faut pour cela évaluer le marché et toute étude de ce genre devrait englober la Californie. Et je dois vous dire que c'est sur cela que portent les discussions actuellement. Cependant nous nous en occupons activement.

L'avenir s'annonce bien, même si la réalisation de ces projets reste encore à combler. Le gaz naturel, le plus important et le premier élément du point de vue des sources énergétiques et du prix de revient. Avec certains travaux d'aménagements on pourra le transporter très facilement par gazoduc. Et il est bon que l'on ait en même temps des sources de gaz naturel et des gisements de minerais.

[*Texte*]

Mr. Gundlock: You mean developed together?

Mr. MacDonald: Yes; because one of our problems in the north is transportation. If we can get further beneficiation very close to site, then you transform the transportation problem—if you happen to have a fairly economical source of energy to produce this beneficiation—and gas is obviously the best candidate right now.

The question and the points you raise are valid. We agree with them and have them under constant study. We are pushing and following developments. If the Committee would like a paper, or an aide-mémoire, on this we would be more than happy to submit it.

Mr. Gundlock: Let me make myself clear, Mr. Chairman. I think there should be made available to the Committee, at least so that we could use it, the prices of energy at certain points wherever they are, and within what transportation distance. We were talking about electrical energy, for example. It is quite feasible for some of these diesel plants to burn tar paper, but they are burning highly refined fuel oil. I think the real basic price of energy should be made known, at least to this Committee.

The Chairman: Mr. Gundlock, on this point, Mr. MacDonald has offered to provide an aide-mémoire. I presume, Mr. MacDonald, that if the Minister is going over to Europe to try to encourage investment in the north he has figures to indicate the cost of electricity and the cost of fuel?

Mr. MacDonald: Yes.

The Chairman: Therefore, these figures are available to us?

Mr. MacDonald: These are the stuff with which we work all the time.

Mr. Gundlock: The very basic price and the cost per 100 miles in a pipeline—you know what I mean?

Mr. MacDonald: Yes.

Mr. Nielsen: Mr. Chairman, may I go back to Mr. O'Connell's line of questioning?

The Chairman: Mr. Nielsen, other two members have indicated that they have questions. Is this on a supplementary?

[*Interprétation*]

M. Gundlock: Vous voulez dire de les développer simultanément?

M. MacDonald: Oui, parce que, le principal problème du Nord est celui du transport; on pourra mieux profiter des transports sur place. Là, encore, vous allez transformer le réseau de transport. Si vous avez une source rentable d'énergie, vous pouvez avoir un transport suffisant pour les servir.

Par conséquent, la question que vous avez soulevée est très valable. Nous sommes parfaitement d'accord et je peux vous dire que nous étudions actuellement ce prix de revient et nous favorisons le développement de la région. Et si le comité veut un aide-mémoire à ce sujet, nous serions très heureux de vous le présenter.

M. Gundlock: Maintenant, que je me fasse comprendre clairement, monsieur le président. Je pense que le comité devrait au moins pouvoir disposer des prix de l'énergie électrique où que ce soit, et de l'énergie, compte tenu des distances et du transport, etc. Parce que, en fait, aujourd'hui, on parle d'énergie électrique, disons, eh bien, certaines centrales diesels consomment du carburant. Je ne veux pas entrer dans les détails, mais disons que certaines centrales pourraient brûler du papier goudronné, en fait, alors qu'elles brûlent du pétrole parfaitement raffiné. Je pense que le coût de base de l'énergie devrait être indiqué au comité.

Le président: Monsieur Gundlock, à ce sujet, M. MacDonald a dit qu'il était parfaitement d'accord pour fournir un aide-mémoire. Je présume, monsieur MacDonald, que si le ministre va en Europe pour essayer d'encourager les investissements dans le Nord canadien, il va prendre des chiffres avec lui pour indiquer le coût de l'électricité, le coût des combustibles. etc.

M. MacDonald: Oui.

Le président: Donc, ils sont disponibles, on peut s'en servir?

M. MacDonald: Ah! oui, bien sûr. Voilà les chiffres que nous utilisons tous les jours.

M. Gundlock: Est-ce qu'on peut avoir le coût par 100 milles de gazoduc, par exemple?

M. MacDonald: Oui.

M. Nielsen: Puis-je revenir à la question de M. O'Connell?

Le président: Il y a deux autres personnes qui voulaient poser des questions. Est-ce une question supplémentaire?

[*Text*]

Mr. Nielsen: No; I am sorry.

The Chairman: Mr. Smerchanski and Mr. Cullen have indicated that they have questions.

Mr. Nielsen: There is plenty of time.

Mr. Smerchanski: Mr. Chairman, I would like to know what percentage of the operators in these isolated areas are either local or native people?

Mr. MacDonald: Employees of the Commission?

Mr. Smerchanski: That is right. For example, how many operators at the plant at Coppermine are local people?

Mr. Humphrys: There are three operators at Coppermine, one of whom is a local man, a mechanic. He was within the Territories; he was not a resident in Coppermine when he was hired. And the superintendent was sent in from outside.

Mr. Smerchanski: In these isolated plant

• 2050

locations would you say you had an across-the-board 25 per cent of local labour?

Mr. Humphrys: Yes; 25 per cent, to even higher than that; 50 per cent in some instances.

Mr. Smerchanski: What is the department doing to upgrade them to possibly 100 per cent local or native employment?

Mr. MacDonald: We covered this earlier, Mr. Smerchanski. We have the general educational program and we have had further specifics, such as the Churchill Vocational Centre and the Fort Smith heavy equipment training. We are trying to do as much as we can in the direction of motivation and skills training; not only for this particular purpose, of course, but for employers generally in the north.

Mr. Smerchanski: Mr. Chairman, some of these plants have been in operation for longer than three, four and five years. Surely it would not take that long to train local native people to be fairly competent operators, would it?

Mr. MacDonald: And some have been.

Mr. Smerchanski: Is that a fact?

Mr. Nielsen: The fact remains, Mr. MacDonald, that NCPC in its whole system has one native employed; is that not correct?

[*Interpretation*]

M. Nielsen: Non, je m'excuse.

Le président: Il y a M. Smerchanski et M. Cullen qui veulent la parole.

M. Nielsen: Nous avons du temps devant nous.

M. Smerchanski: Monsieur le président, je voudrais savoir combien d'employés à l'usine de Coppermine sont habitants de la localité?

M. MacDonald: Vous parlez des employés de la Commission?

M. Smerchanski: Oui. Prenez, par exemple, la centrale de Coppermine. Combien d'exploitants dans la centrale de Coppermine sont des indigènes?

M. Humphrys: Il y en a trois là-bas, sur place et il y en a un qui est indigène. Il vient des Territoires. Ce n'était pas un résidant de Coppermine lorsqu'il a été embauché. Et il y a un contremaître qui vient de l'extérieur.

M. Smerchanski: Dans ces centrales isolées, est-ce que vous pouvez dire que vous avez 25 p. 100 de main-d'œuvre indigène?

M. Humphrys: Oui, 25 et même parfois 50 p. 100.

M. Smerchanski: Est-ce que le ministère fait le nécessaire pour faire passer ce chiffre à 100 p. 100, peut-être, dans l'emploi?

M. MacDonald: Nous avons abordé la question plus tôt, monsieur. Vous savez que nous avons un programme d'éducation à ce sujet. Et nous avons, notamment, l'École des arts et métiers de Churchill et il y a des écoles de formation pour l'apprentissage du fonctionnement du matériel lourd et nous faisons tout ce que nous pouvons pour former des employés et des techniciens.

M. Smerchanski: Monsieur le président, si certaines de ces centrales fonctionnent depuis trois, quatre ou cinq ans, certainement il ne faudrait pas aussi longtemps pour former des indigènes et en faire des employés très compétents.

M. MacDonald: Certainement, ça arrive.

M. Smerchanski: Est-ce un fait courant?

M. Nielsen: Le fait demeure, monsieur MacDonald, que la CENC, et tout son réseau, n'a qu'un seul employé indigène, n'est-ce pas?

[*Texte*]

Mr. Humphrys: No.

Mr. Nielsen: I thought that was what Appendix "A" said.

Mr. Humphrys: One Indian.

Mr. Nielsen: One Indian. I am sorry.

Mr. Humphrys: In the Yukon.

Mr. Smerchanski: But it does not include the Eskimo...

Mr. Humphrys: I could give you an example of where the Eskimos are available. Bear in mind that most of the Commission's plants are not in the area where the Eskimo is actually a resident, but at Frobisher Bay we employ 12 Eskimos.

Mr. Smerchanski: As against how many whites?

Mr. Humphrys: About 25 whites. At Aklavik there are three Eskimos and one Indian, and two whites. At Baker Lake there are two Eskimos and two whites, if you want to call them whites, two non-Eskimos. At Moose Factory we employ 15 Indians and two Eskimos—I said one—there are two there now. At Cambridge Bay we employ two Eskimos. Certainly wherever the Commission has an opportunity, if we can employ local people we will do so.

Mr. Smerchanski: In other words, Mr. Chairman, am I right in assuming that it is the Department's policy to try to use as many of the local native people as possible in the operation of these plants and the maintenance of the transmission lines and so forth?

Mr. MacDonald: Yes.

Mr. Smerchanski: The other question is, Mr. Chairman, does the NCPC send many of their maintenance engineers or supervising engineering personnel from Ottawa into various locations to do some supervision and maintenance?

Mr. Humphrys: Yes, on occasion, as required.

Mr. Smerchanski: And on what occasions? When you are making a major change-over or major repairs?

Mr. Humphrys: Yes generally where engineering technology is required.

Mr. Smerchanski: And is that charged to your maintenance costs as given on these tables?

[*Interprétation*]

M. Humphrys: Non.

M. Nielsen: Je croyais que c'était ce que disait l'annexe «A».

M. Humphrys: Un Indien.

M. Nielsen: Un Indien. Je regrette.

M. Humphrys: Au Yukon.

M. Smerchanski: Cela ne comprend pas les Esquimaux.

M. Humphrys: Je pourrais vous donner un exemple de la présence des Esquimaux, mais n'oubliez pas que la plupart des installations de la Commission ne se trouvent pas dans une région d'Esquimaux, mais à Frobisher Bay, nous employons 12 Esquimaux.

M. Smerchanski: Pour combien de Blancs?

M. Humphrys: Environ 25 Blancs. A Aklavik, il y a trois Esquimaux, un Indien et deux blancs. A Baker Lake, il y a deux Esquimaux et deux blancs, si vous tenez à les appeler «blancs», deux non-esquimaux. A Moose Factory, nous avons 15 Indiens et deux Esquimaux—j'ai dit un—il y en a deux maintenant. A Cambridge Bay, nous employons deux Esquimaux. De toute façon, chaque fois que la Commission a la possibilité de le faire, elle embauche des indigènes.

M. Smerchanski: Autrement dit, monsieur le président, j'ai raison de penser que la politique du ministère est de chercher à utiliser autant d'indigènes que possible pour l'exploitation de ces centrales, l'entretien des lignes de transmission, etc?

M. MacDonald: Oui.

M. Smerchanski: L'autre question que je voulais poser, monsieur le président, est la suivante: est-ce que la CENC envoie beaucoup de ces ingénieurs d'entretien ou surveillants, à partir d'Ottawa, dans différents endroits pour faire certains travaux de surveillance et d'entretien?

M. Humphrys: Oui, à l'occasion, selon les besoins.

M. Smerchanski: Et à quelles occasions? Lors d'une grosse réparation ou d'un important changement?

M. Humphrys: Oui. Lorsqu'il faut faire beaucoup de travaux techniques.

M. Smerchanski: Et cela est indiqué dans les frais d'entretien comme ceux qui figurent dans ces tableaux?

[*Text*]

Mr. Humphrys: Maintenance or capital charges, depending upon the nature of the work. It may be capitalized against the cost of the plant.

Mr. Smerchanski: But where it is in connection with maintenance it is charged as maintenance into these figures that you have published here.

Mr. Humphrys: That is right.

Mr. Smerchanski: Thank you.

The Chairman: I have a supplementary on Mr. Smerchanski's training question. Was there a training course in existence until quite recently for operators of diesel power units in the north, and was this program terminated recently? It seems to me that I heard something along these lines. My facts perhaps are a bit vague.

Mr. MacDonald: The only one I am familiar with is the heavy equipment operators' school at Fort Smith which we really just started.

The Chairman: So there is no training course for diesel electric or diesel power plant operators in the north.

Mr. MacDonald: I do not think so. We would send people out for that, really.

The Chairman: I put this to you. Would it not be a reasonable initiative for the Department of Indian Affairs and Northern Development to send a number of local native people out for such training? It would seem that there are a number of opportunities for this work in the north.

Mr. MacDonald: I cannot give you the answer specifically with respect to that particular kind of training but we do send a great number of people out. We are only training in the north where we happen to

• 2055

have the fortuitous combination of the demand at a particular moment in time and it applies to heavy duty equipment plant; otherwise we try to work with the provincial apprentice and vocational training schemes and/or private industry, in effect to buy the training. And this relates to our Indian program and our Eskimo program under the Department.

The Chairman: But this is one area, it would seem to me, where we could aim for almost 100 per cent operation, as Mr. Smer-

[*Interpretation*]

M. Humphrys: Dans les frais d'entretien ou d'immobilisations, cela dépend de la nature du travail. On peut les capitaliser dans les frais de la centrale.

M. Smerchanski: Mais pour l'entretien, c'est indiqué dans les chiffres que vous avez publiés.

M. Humphrys: Oui.

M. Smerchanski: Merci.

Le président: J'ai une question complémentaire sur la question de la formation soulevée par M. Smerchanski. Est-ce qu'il y a eu un cours de formation qui était à la disposition des opérateurs de centrales diesel jusqu'à il y a peu de temps? Et est-ce que le programme a été terminé récemment? Il me semble que j'en ai entendu parler.

M. MacDonald: Le seul que je connaisse, c'est le cours de formation des opérateurs de matériel lourd, à Fort Smith, qui vient de commencer.

Le président: Autrement dit, il n'y a pas de cours de formation pour les opérateurs des centrales diesels ou électriques, dans le Grand Nord.

M. MacDonald: Je ne crois pas. Nous envoyons plutôt les gens à l'extérieur, pour suivre ces cours.

Le président: Est-ce que vous ne pensez pas qu'il serait bon que le ministère des Affaires indiennes et du Nord canadien envoie plusieurs indigènes à l'extérieur pour qu'ils reçoivent une formation? Il semble y avoir beaucoup de possibilités d'emploi dans ce domaine, dans le Nord.

M. MacDonald: Je ne peux pas vous répondre directement pour ce genre de formation, mais nous envoyons beaucoup de gens à l'extérieur pour les former. Ceux que nous gardons dans le Nord, ce sont ceux qui peuvent être utilisés immédiatement sur place. Mais, en général, on passe par les provinces et par l'industrie pour les former; c'est cela que notre ministère fait depuis longtemps, dans le cadre de ses programmes pour les Indiens et les Esquimaux.

Le président: Il me semble que c'est là un domaine où nous pourrions chercher, au moins, à avoir 100 p. 100 du personnel qui

[*Texte*]

chanski said, by native personnel if there was an effort being made to train them specifically for this purpose.

Mr. MacDonald: We do train our own employees in the Northern Canada Power Commission. Mr. Humphrys might elaborate on that.

Mr. Humphrys: Yes, we always canvass and endeavour to obtain employees locally when we have to recruit new ones, and those who are promising at all are either in-house trained or, where a training program can be made available through the co-operation of the Department, these employees are sent out for training. We have a number of employees that have gone through a training program of this nature. As I say, we try to recruit in the Territories and one of the difficulties is to find enough people for this purpose. Quite frequently when we need someone he is not available because he is already fully engaged.

The Chairman: We had evidence last autumn that there was only one Indian employee of the NCPC in the Yukon and this would not indicate, to me anyway, that there was a very ambitious effort on the part of NCPC in the past to train local Indian youths in the Yukon for these purposes. Since our meeting last autumn when this was raised, has any effort been made to interest, either through the vocational school in Whitehorse, or otherwise, Indian youths in taking a diesel power plant operator course anywhere in Canada? I believe this is available only in Edmonton or somewhere, but has any specific effort been made along these lines?

Mr. MacDonald: There is a general ongoing program in the Department itself in the field of vocational guidance, which is really what we are getting at here, to try to select youths in the latter stages of their educational process to take certain kinds of courses. There are people who also have related responsibilities, either themselves of through the Manpower Department, for job opportunities—to try to steer them in and motivate them to go into these things and then if they do, either we or the Department of Manpower will engage them in further training. So I cannot answer about the specific efforts that have been made since last year, but I can get that answer for you, to see if there has been any change or any response.

Mr. Smerchanski: I fell that on this business of training, surely in the past Canada has supplied a great deal of technicians through the apprentice training system and that is training on the job. Surely when we are told that Eskimo trainees have become

[*Interprétation*]

soit indigène, comme l'a dit M. Smerchanski, si on cherchait à les former à cet effet.

M. MacDonald: Nous formons nos propres employés, à la Commission d'énergie du Nord canadien. M. Humphrys pourrait vous répondre là-dessus.

M. Humphrys: Nous cherchons toujours sur place des employés et ces employés, si on ne les trouve pas sur place, avec des aptitudes nécessaires, on les envoie à l'extérieur dans le cadre du programme de formation. Nous cherchons, comme je vous le dis, à embaucher dans le territoire, mais ce qui est difficile, c'est de trouver un certain nombre de gens qui sont intéressés. Très souvent, lorsque nous rencontrons quelqu'un, eh bien, il ne peut pas le faire, parce qu'il est déjà embauché ailleurs.

Le président: L'automne dernier, nous avons eu des témoignages selon lesquels il y avait un seul employé indien à la C.E.N.C. au Yukon. Pour ma part, ce n'est pas un signe de bonne volonté pour utiliser les services des indigènes du Yukon. Est-ce que, disons depuis notre séance de l'automne dernier, lorsque cette question a été soulevée, est-ce que des efforts ont été faits pour intéresser, soit par les écoles professionnelles de Whitehorse, soit autrement, pour intéresser les jeunes Indiens à suivre un cours d'opérateur de centrales diesels, partout au Canada? Il n'y en a qu'une, je crois, à Edmonton. Est-ce que des efforts ont été faits à ce sujet?

M. MacDonald: Dans le domaine de l'orientation professionnelle, c'est ça, en fait, que l'on veut faire. Tout au long de leur éducation, on cherche à leur indiquer quel cours ils pourraient suivre, soit par l'intermédiaire du ministère de la Main-d'œuvre pour pouvoir remuer un peu, activer un peu la personne et l'inciter à aller suivre les cours. Ensuite, nous-mêmes, ou le ministère de la Main-d'œuvre, nous les poussons à continuer leur formation. Je ne peux pas vous parler de renseignements sur les efforts particuliers qui ont été faits depuis lors l'année dernière, mais je peux vous trouver la réponse, pour voir s'il y a eu du changement, ou si on a répondu à l'appel.

M. Smerchanski: Je pense que sur cette question de la formation, bien sûr, dans le passé, le Canada a fourni beaucoup de techniciens par le système d'apprentissage, c'est-à-dire de formation sur place, mais quand on nous dit maintenant que les stagiaires esqui-

[*Text*]

some of the better diesel operators on the CNR locomotive system into Pine Point, there must be something wrong with our approach in the Arctic in the Northwest Territories and in the Yukon in training the native people. I can appreciate that Manpower or some other agency is doing this, but I think that the main concern here is with the Department of Indian Affairs and Northern Development.

I do not know what the answer is, Mr. Chairman, but I think possibly somebody in the lower echelon should be told or instructed to use more efficiently the manpower that is available on these stations rather than to go through various government departments which are affiliated possibly through the training of personnel. My goodness, if these people have a grade 8, grade 9 or grade 10 education, it does not take very much imagination Mr. Chairman, to encourage them in the apprentice training system through the media of education and on-the-job training to become wonderful operators because the Eskimo is inherently mechanically inclined and he is a very competent individual.

We are missing a good bet here; we are going after another department, we are trying to bring in other people to train him, but we would give him a great deal of personal uplift and control of himself if we gave him the opportunity to go into the apprentice training system to work with the actual tools and ask somebody how to do it.

• 2100

Believe me, he will turn out to be a darn good operator. I would like to leave this suggestion with you, Mr. Chairman, because certainly from the few previous meetings we have had I got the impression that there is a lack of coordination and a lack of direct action here. We should be saying, "All right, we now have six positions available; let us fill them with local people". If we do not do that the local people are not going to be very enthused about any of our projects in the North. I do no think there would be anything nicer or better than getting them involved in it, getting enthused about it, and I think quite honestly in this department we can employ a great deal more of the local native population.

The Chairman: A supplementary, Mr. Gundlock?

Mr. Gundlock: Yes, just a short one, Mr. Chairman. As a matter of fact, I compliment you on raising this subject, and it is related.

[*Interpretation*]

maux sont devenus les meilleurs opérateurs de diesels du CN à Pine Point, depuis qu'ils ont été rencontrés, eh bien, on peut se dire qu'il y a quelque chose qui ne va pas dans votre système de formation des indigènes dans l'Arctique, dans les territoires du Nord-Ouest et au Yukon. Je comprends très bien les remarques selon lesquelles c'est la Main-d'œuvre, ou un autre organisme, qui s'en occupe, mais je pense, pour ma part, que ce qui nous intéresse ici, c'est le ministère des Affaires indiennes et du Nord canadien.

Je ne sais pas quelle est la réponse que l'on peut attendre, monsieur le président, mais je pense que quelqu'un, à l'échelon inférieur, a reçu pour instructions d'utiliser plus efficacement la main-d'œuvre disponible sur place plutôt que de passer par différents ministères gouvernementaux intéressés dans la formation du personnel. Mais bon sang, si ces gens ont une huitième, une neuvième, ou une dixième, il ne faut pas beaucoup d'imagination, monsieur le président, pour leur donner une formation sur place qui leur permettra de devenir de très bons opérateurs, car l'Esquimau est très compétent, et il a l'esprit mécanique et technique.

Nous perdons beaucoup ici, parce que nous allons chercher un autre ministère pour lui accorder cette formation, alors qu'il serait bon de lui donner la possibilité de se former sur place, d'utiliser sur place les outils, ce qui lui permettrait de demander comment faire.

Je vous assure qu'il fera un très bon conducteur de machines. Je voudrais que vous reteniez cette proposition, monsieur le président, parce que je pense que certainement, au cours des réunions antérieures, j'ai eu l'impression qu'il y a un manque de coordination et d'activité directe dans ce sens. On devrait dire, «bon, très bien, on a six postes de disponibles, qu'on peut confier aux gens qui sont sur place». Sinon les indigènes ne seront pas très emballés par nos projets dans le Nord. Il n'y a rien qui serait plus intéressant et de plus encourageant que de les voir participer. Je crois très honnêtement, que dans notre ministère, nous pourrions utiliser beaucoup plus d'indigènes.

Le président: Une question supplémentaire, monsieur Gundlock?

M. Gundlock: Je vous félicite d'avoir soulevé la question. Vous vous souviendrez, il y a quelque temps, lorsque ce comité s'est réuni

[*Texte*]

You will recall a very short time ago that as a Committee we met and visited many communities and almost invariably we ran into this same criticism.

I cannot recall one time that we did not meet up with the same matter that you have brought forth right now. They dislike—and when I say "they" I refer to the native people—having to send their children out to be educated. Again I come back to that same criticism; excuses and apologies were all we got from the departmental people. Their answer was that they have to be educated where the opportunities are. I think your point, Mr. Chairman, was brought forth extremely well; here is a real opportunity to educate these people where the job opportunities are, and I cannot emphasize that too strongly.

Mr. MacDonald: Mr. Chairman, the implication seems to have arisen—possibly from what I may have said, although I cannot recall it—that somehow this sort of training is not going on. I wonder if I may read to the Committee what I said to them on an earlier occasion when the subject was the question of training:

> On March 31, 1968, vocational training accounted for 620 Eskimo and Indians who were undergoing training in courses ranging from aircraft mechanics to welding. A large number of these are taking their training outside the territories, but in the federal vocational schools in Yellowknife there are 177 northern students, at Churchill, 187 and at Inuvik 40 students are engaged in vocational pursuits.

This is part of the total problem of education in the North today. We are trying to do as much of it as possible in the North, and in particular skills we try to find training facilities within the provincial educational systems or wherever it is being done. The Chairman mentioned one place in particular. This is probably the one place in Canada where they have the plant and equipment to do it. There is no dispute or argument about this. This is what the whole educational program is about, vocational and special skills.

The Chairman: Mr. Dinsdale on a supplementary.

Mr. Dinsdale: On this point, is the Department still using the facilities of the Department of National Defence at Kingston for adults?

Mr. MacDonald: I think not, Mr. Dinsdale, I think that arrangement terminated and I

[*Interprétation*]

et a visité plusieurs collectivités et nous avons entendu presque partout les mêmes critiques.

Je ne me souviens pas d'une collectivité où nous n'avons pas entendu formuler les critiques à ce sujet. Ils, et je veux dire les indigènes, n'aiment pas envoyer leurs enfants en dehors de leur communauté pour les faire instruire. Je reviens à la même critique; tout ce que nous avons entendu de la part des fonctionnaires du ministère ce fut des excuses. Leur réponse était qu'il faut enseigner les enfants là où on peut. Monsieur le président, je pense que vous avez très bien exprimé votre point. Voici une excellente occasion d'instruire ces gens, là où se trouvent les occasions d'emploi. Je ne peux pas trop insister sur cet aspect.

M. MacDonald: Il semble que d'après ce que j'ai dit, on a conclu que cette forme d'apprentissage ne s'effectue pas. Permettez-moi de lire au Comité ce que j'ai dit il y a quelque temps au sujet de la formation:

> Le 31 mars 1968, on comptait 620 Indiens et Esquimaux, qui suivaient des cours de formation professionnelle, de la mécanique des avions, de soudure, et ainsi de suite. Un grand nombre d'entre eux suivent des cours en dehors du territoire, mais dans les écoles de métier du gouvernement fédéral, il y a 177 étudiants des régions septentrionales à Yellowknife, 187 à Churchill, et 40 à Inuvik.

Cela fait partie de l'ensemble du problème actuel de l'enseignement dans le Nord. Nous essayons de fournir tous les services éducatifs possibles, et pour certains métiers, nous essayons de trouver des services de formation à l'intérieur du système d'éducation des provinces ou ailleurs. Le président a mentionné un endroit. C'est probablement le seul endroit au Canada où l'on trouve le matériel. Il n'y a pas de divergence d'opinions ou d'arguments à ce sujet. Voilà ce que tout notre programme d'éducation tourne autour, la formation technique et professionnelle.

Le président: Monsieur Dinsdale a une question supplémentaire.

M. Dinsdale: A ce sujet, est-ce que le ministère utilise encore les services du ministère de la Défense nationale pour la formation des adultes?

M. MacDonald: Je crois que non. Il me semble que ce système est révolu et qu'on

[*Text*]

believe at this time we are primarily relying on provincial systems.

The Chairman: Mr. Nielsen?

Mr. Nielsen: Mr. Chairman, could we get back to power?

Mr. Dinsdale: If I may ask one supplementary and then we can get back to power. Is the reason for the shortage of native employment the lack of trained people, and particularly adults?

Mr. MacDonald: I think, Mr. Dinsdale, that is part of the answer. I think it also has to be honestly admitted that it is partly attitudinal, oversight, the lack of effective means of translating intent and desire into specific action. I think these are the aspects that are improving, but naturally, of course, there are skills.

Mr. Dinsdale: But the school at Kingston was doing good work.

The Chairman: Mr. Dinsdale, I should remind you that we got into this training aspect because we were talking about training for diesel and electric power plants.

• 2105

Mr. Dinsdale: This is a diesel training school. This is specifically for power plant operators.

The Chairman: Mr. Simpson?

Mr. Simpson: I have a supplementary, Mr. Chairman, particularly in the field of employment and specifically, I suppose, in relation to native employment. I understood it was mentioned that there were a total of 37 employees with NCPC at Frobisher. I would like to know how that compares with the number of employees of NCPC at Inuvik. Would you also inform me if these are two of the largest areas of employment by NCPC in their operations throughout the North?

The Chairman: I am not just clear if you want...

Mr. Simpson: How many employees are there at Inuvik?

Mr. Humphrys: There are 47 at Inuvik and 37 at Frobisher.

Mr. Simpson: Would Inuvik be the largest...

Mr. Humphrys: Yes, the largest single station.

[*Interpretation*]

dépend surtout des systèmes d'enseignement provinciaux.

Le président: Monsieur Nielsen.

M. Nielsen: Est-ce qu'on ne pourrait pas revenir à la question de l'électricité?

M. Dinsdale: J'ai une question supplémentaire. Nous pourrons revenir à l'électricité ensuite. Est-ce que la raison pour laquelle on n'emploie pas suffisamment d'indigènes, c'est qu'il n'y a pas suffisamment de gens qualifiés, et des adultes en particulier?

M. MacDonald: Oui, en partie. Il y a peut-être eu aussi négligence de la part des autorités, qu'on n'ait pas pu traduire en œuvres l'intention et le désir des autorités. Ce sont tous les aspects du problème, mais il est évident qu'ils accroissent leur compétence.

M. Dinsdale: Mais l'école à Kingston a connu certains succès, n'est-ce pas?

Le président: Nous nous sommes embarqués dans la question de formation parce qu'on parlait de la profession professionnelle des employés des centrales à combustion internes et hydro-électriques.

M. Dinsdale: Mais c'est une école de formation pour mécaniciens diesels, destinée spécialement à la formation des opérateurs de centrales électriques.

Le président: M. Simpson?

M. Simpson: Je veux parler plus particulièrement de l'emploi des indigènes. Je pense qu'on a mentionné qu'à Frobisher Bay il y avait 37 employés de la CENC. Je voudrais savoir comment ce chiffre se compare avec le nombre d'employés à Inuvik. Je me demande si vous pourriez me dire s'il s'agit des deux régions où la CENC offre le plus grand nombre d'emplois.

Le président: Je ne sais pas au juste ce que ...

M. Simpson: Combien d'employés avez-vous à Inuvik?

M. Humphrys: 47 à Inuvik et 37 à Frobisher Bay.

M. Simpson: Est-ce que Inuvik serait le centre d'emploi le plus important?

M. Humphrys: Oui, la centrale la plus importante.

[*Texte*]

Mr. Simpson: The largest single station. Is Frobisher second or...

Mr. Humphrys: Yes, Frobisher is the second largest.

Mr. Simpson: What other ones do we have that are in that relatively—

Mr. Humphrys: At Fort Simpson we have 31 employees.

At Moose Factory we have 23 and at Snare River we have 15.

Mr. Simpson: Going from Moose Factory back to Inuvik, what is the proportion of native people employed in respect to the total employment?

Mr. Humphrys: At the last reading there were 47 staff members at Inuvik. There was one Eskimo and five Métis. At Moose Factory there was a total staff of 23. There were 15 Indians and two local residents. They may have been non-Indians.

Mr. Simpson: Very good.

Mr. MacDonald: The Committee might be interested in a note that has been passed to me which will give you an example of the possibilities of skills over a period of time. Mr. John Evans who is a Métis in Fort Smith was trained by the Northern Canada Power Commission and he is now assistant superintendent of our largest hydro installation at Taltson. So, these people are beginning to show some progress.

Mr. Nielsen: Mr. Chairman, I wonder if I may ask a question supplementary to the one raised by Mr. O'Connell. In connection with the cost trends, Mr. Humphrys would you separate the figures that you have given and which you have said are applicable to the whole of the northern operations of NCPC so that the Committee members will know what the trend is in the Yukon and what the trend is in the Northwest Territories.

Mr. Humphrys: I did that, Mr. Nielsen, in respect to the industrial power. I cannot do it in respect to the domestic and commercial consumption of power because we only have the figures that were quoted by the Dominion Bureau of Statistics, and they were not separated before 1968.

The Chairman: Mr. Nielsen, if you would excuse me for a moment, Mr. Cullen indicated quite some time ago that he had a question, and he had been overlooked in all these supplementaries. Would you permit him to go ahead?

Mr. Nielsen: Certainly.

[*Interprétation*]

M. Simpson: Et celle de Frobisher Bay vient en deuxième lieu?

M. Humphrys: Oui, celle de Frobisher Bay vient en deuxième lieu.

M. Simpson: Et quelles autres centrales avons-nous?

M. Humphrys: Nous avons 31 employés à Fort Simpson, à Moose Factory, nous en avons 23, et à Snare River nous en avons 15.

M. Simpson: Pour revenir à Inuvik, quelle est la proportion d'employés indigènes comparativement au nombre total d'employés?

M. Humphrys: A Inuvik, sur les 47 membres du personnel, il y avait un Esquimau et cinq métis. A Moose Factory, sur 23 membres du personnel, il y avait quinze Indiens et deux autres personnes de la région. Je ne sais pas si c'étaient des Indiens.

M. Simpson: Bien.

M. MacDonald: Le Comité serait peut-être intéressé aussi à savoir à titre d'exemple, ce qu'on vient de me remettre, quant aux acquisitions de compétence sur une période de temps. M. John Evans, de Fort Smith, est un Métis. Il a été formé par le CENC et il est maintenant surintendant adjoint de notre plus grande centrale hydro-électrique à Taltson. C'est donc dire que nous obtenons certains résultats.

M. Nielsen: Je voudrais poser une question supplémentaire à celle de M. O'Connell, relative à la conjoncture des coûts. M. Humphrys, est-ce que vous pouvez ventiler les chiffres que vous nous avez donnés et qui visent l'ensemble des exploitations de la CENC dans le Nord afin que les membres du Comité puissent savoir quelle est la conjoncture au Yukon et dans les Territoires du Nord-Ouest.

M. Humphrys: Je l'ai fait au sujet de la consommation industrielle. Je ne peux pas le faire au sujet de l'énergie consommée par les particuliers et les entreprises parce que nous n'avons que les chiffres cités par le Bureau fédéral de la statistique, qui n'étaient pas ventilés avant 1968.

Le président: Monsieur Nielsen, excusez-moi un instant. Monsieur Cullen a indiqué il y a un certain temps qu'il y avait une question à poser, il a été oublié avec toutes ces questions supplémentaires qui ont été posées. Lui permettriez-vous de poser sa question?

M. Nielsen: Certainement.

[*Text*]

Mr. Cullen: I think Mr. Nielsen will be happy to know that I am coming back to the electrical part of the Yukon. I think you are too easy with us, Mr. Chairman. I think when we get off the topic you should tell us to stop. The agenda tonight, as I see it, deals with electric power. I only have a couple of questions. The first one is in connection with the market. We had an indication of roughly a 10 per cent increase on an average basis in either production or consumption, and I assume production and consumption would be the same thing here, and you have indicated that a good portion of this growth would be in Whitehorse. What dictates where you go for expansion in so far as markets are concerned? Is it the finding of a mine or the development of a community? What dictates that to the Committee?

Mr. MacDonald: I am sure you are aware

• 2110

the characteristic of the North is its heavy reliance on the extractive industries and, as the general manager mentioned earlier, this affects the curve of the growth. It is unlike, for example, a large metropolis which might show an expansion heavily weighed by domestic consumption, which is rather more even in its growth. We are likely to come on stream with great chunks and our growth will be affected by the discovery of an extractable resource which private capital has decided to bring into production, and in the process of so doing will be in discussion with us as to the availability of power, roads and many other things. As the population in the North grows there will be in certain of these areas such as Yellowknife and Whitehorse a certain built-in growth which we can presume will take on more significance that it had in the past, but I still think that primarily we see these large increments coming as a characteristic of our growth.

Mr. Cullen: Then are you saying that in the first instance you react rather than act? Do you react to a development or do you encourage it by going into a small community that might develop?

Mr. MacDonald: This is where the interrelationship between the Department and the Northern Canada Power Commission becomes evident. We act because we have a whole system of incentives, communication and liaison, and with possible potential capital, inventory and explanation resources for the building of roads which are designed to open up territories that have high resource potential. All of this, of course, is designed to bring

[*Interpretation*]

M. Cullen: Vous serez heureux, M. Nielsen, de savoir que je reviens à la question de l'électricité au Yukon. Vous êtes trop poli, monsieur le président. Lorsque nous nous écartons du sujet, vous devriez nous en aviser. La question à l'ordre du jour est celle de l'électricité. Je n'ai que quelques questions. Au sujet du marché, vous nous avez dit qu'il y avait eu une augmentation d'à peu près 10 p. 100 en moyenne soit de la production ou de la consommation, et je crois que la production et la consommation dans ce cas sont une et même chose puisque vous avez indiqué que ce serait à Whitehorse que l'on constate la majeure partie de cette augmentation. Qu'est-ce qui explique l'augmentation du marché, la découverte d'une mine, l'expansion d'une ville, ou quoi?

M. MacDonald: Comme vous le savez, le Nord dépend énormément des industries d'extraction ce qui affecte beaucoup la courbe de croissance. Ce n'est pas comme une grande métropole où il y aurait une forte expansion des marchés à cause de la consommation domestique, et donc une courbe de croissance plus régulière. Notre croissance est influencée par les découvertes d'une ressource minière que les investisseurs privés ont décidé d'exploiter, et dont l'exploitation comportera des discussions relatives à l'énergie disponible, les routes, et ainsi de suite. Au fur et à mesure qu'augmentera la population du Nord, il va y avoir dans certaines de ces régions, comme Yellowknife et Whitehorse, une expansion intérieure qui, nous le supposons, va prendre plus d'importance qu'elle n'en avait autrefois. mais je pense, malgré tout, que ces fortes augmentations proviennent de notre croissance.

M. Cullen: Voulez-vous dire que, tout d'abord, vous réagissez plutôt que vous n'agissez? Réagissez-vous à l'expansion ou l'encouragez-vous en vous installant dans une petite collectivité qui a des chances d'expansion?

M. MacDonald: C'est là que le rapport entre le Ministère et la CENC devient évident. Nous agissons parce que nous avons toute une série de stimulants, les communications et la liaison, et, avec un capital possible, les ressources connues et les ressources à explorer; ces stimulants nous encouragent à construire des routes en vue d'ouvrir à l'exploitation les territoires qui ont d'importantes ressources en réserve. Tout cela, bien sûr, a

[*Texte*]

about development. One then has to react to the success of these things. If in fact an exploitable mineral is discovered such as happened, for example, recently at Anvil, then there is the process of that particular capital formation trying to work out the combination of production costs, transportation, markets—which are world markets—and contracts for that over the duration of the time that is required for the recovery of the very large kinds of capital—in this case something of the order of $60 million to $80 million—and in that process the question of power, the source of energy, is one of the elements. It is hard to say just where action and reaction comes about.

Mr. Cullen: You have indicated this is where the Commission works for the Department. Are you in competition with private enterprise, and do you have the added advantage of working in conjunction with the Department?

Mr. MacDonald: I do not think there is much competition for the provision of the large capital sums of money that are required for the development of power in the North. There may be competition for the retailing of it.

Mr. Cullen: I am thinking of a situation where a development like Thompson, Manitoba, might take place in the Northwest Territories where you would have what would obviously be a ripe market, and there would be encouragement. This is a market that in essence could be productive and economical. Would there be competition there?

Mr. MacDonald: Competition to supply the capital to build a large installation for the production of power?

Mr. Cullen: And then to ultimately produce and make a profit, of course.

Mr. MacDonald: On what, on the metals or only on the power?

Mr. Cullen: On the power.

Mr. MacDonald: I do not think there is such competition. I am not aware of large sums of capital eager to flow in to provide this kind of investment. Most of the capital investment we are familiar with wants to go into the production end of the metals, or oil. That is where capital is flowing.

Take the case of Anvil or Cypress Mines as an example. They are seeking the maximum amount of public investment in the infrastructure. From their point of view the power and the roads are side issues. It only ties up

[*Interprétation*]

pour objet d'amener l'expansion. Il faut donc réagir devant le succès de ces efforts. Si, en fait, on découvre un minerai exploitable, comme cela s'est produit récemment, par exemple, à Anvil, il y a le processus de cette formation particulière de capital, où l'on cherche à combiner les coûts de production, le transport, les marchés—qui sont des marchés mondiaux—et les contrats pour cela durant toute la période nécessaire du recouvrement des capitaux très importants—dans ce cas-ci, cela va chercher dans les 60 ou 80 millions de dollars; et l'énergie est l'un des éléments de ce processus. Je ne sais pas au juste où l'action et la réaction entrent en jeu.

M. Cullen: Vous avez dit que c'est là que la Commission travaille pour le Ministère. Êtes-vous en concurrence avec l'entreprise privée, et avez-vous de plus l'avantage de travailler en collaboration avec le ministère?

M. MacDonald: Je ne pense pas qu'il y ait beaucoup de concurrence lorsqu'il s'agit de fournir les capitaux importants nécessaires pour la mise en exploitation de l'énergie dans le Nord. Il y a peut-être de la concurrence lorsqu'il s'agit de la vente.

M. Cullen: Je songe à la possibilité d'avoir, dans les territoires du Nord-Ouest, une mise en exploitation dans le genre de celle de Thompson, au Manitoba; il y aurait, de toute évidence, un marché tout prêt, et l'encouragement nécessaire. Il s'agit d'un marché qui, en essence, pourrait être productif et économique. Est-ce qu'il y aurait alors de la concurrence?

M. MacDonald: De la concurrence pour fournir les capitaux nécessaires à la construction d'une grande centrale de production d'énergie?

M. Cullen: Et pour finalement produire et retirer des bénéfices, bien sûr.

M. MacDonald: De quoi? Des métaux, ou seulement de l'énergie?

M. Cullen: De l'énergie.

M. MacDonald: Je ne pense pas qu'une telle concurrence existe. Il n'y a pas, à ma connaissance, de vastes capitaux que l'on soit prêt à fournir pour ce genre d'investissement. La plupart des capitaux disponibles sont orientés vers la production de métaux, ou vers le pétrole. C'est là que vont les capitaux.

Prenez par exemple le cas d'Anvil, ou de Cypress Mines. C'est pour l'infrastructure que l'on recherche le plus les investissements privés. On considère l'énergie et les routes comme des questions secondaires, car elles ne

[*Text*]

their capital. They are very pleased to see this coming from the public sector, and we of course think it is a very proper relationship.

Mr. Cullen: That is fine for the industry that is operating there, a mine or something like that, but I am thinking of someone like—for want of a better company—Yukon Electric who might want to move in there in co-operation with the company that is already there. I am not talking about competing with the mine that is already there that wants to produce its own power. I am thinking more of a private enterprise outfit that is solely engaged in producing power. Would you be in competition with them for that market?

Mr. MacDonald: I guess so.

Mr. Cullen: Thank you.

Mr. MacDonald: Because we think it is our job to provide power at the lowest possible cost.

Mr. Dinsdale: Could you tell us the formula that was used at Pine Point? That was a pretty big power development in the Territories.

Mr. Humphrys: What development, sir?

Mr. Dinsdale: The formula for Pine Point power. It is not quite as big as Thompson but it is pretty big.

Mr. MacDonald: You may recall, Mr. Dinsdale, that the provision of power was one of the essential elements to encourage the company to go forward with the development.

• 2115

There were two elements, transportation—the railway—and the availability of power, and in Penhold the Crown undertook to guarantee this in the case of the transportation.

Mr. Humphrys: The power was provided as a federal government investment on a 40-year amortization basis on the understanding that the company would contract to purchase power for 20 years.

Mr. Dinsdale: There was no interest in private power in that particular project?

Mr. MacDonald: As I say, I am not aware of any large capital formation that wants to go in and invest on anything on a 40-year amortization period.

Mr. Nielsen: Mr. Chairman, may I just refer Mr. MacDonald to appendix A, which is attached to his letter to you, when he says he

[*Interpretation*]

font qu'immobiliser des capitaux. On est très satisfait que ces capitaux viennent du secteur privé; et pour notre part, bien sûr, nous estimons que c'est une très bonne chose.

M. Cullen: C'est très bien pour l'industrie qui est déjà installée sur place, une mine, par exemple; mais je pense à une société comme, disons, faute de mieux, la *Yukon Electrical Co.* qui pourrait vouloir s'installer là-bas et travailler en collaboration avec la société qui est déjà sur place. Je ne parle pas de concurrence avec la mine qui est déjà sur place et qui veut sa propre énergie. Je pense plutôt à une entreprise privée qui ne produit que de l'énergie. Seriez-vous en concurrence avec elle pour ce marché?

M. MacDonald: Je suppose que oui.

M. Cullen: Merci.

M. MacDonald: Car nous estimons de notre devoir de fournir de l'énergie à un prix aussi bas que possible.

M. Dinsdale: Pourriez-vous nous dire quelle formule on a adoptée à Pine Point? C'est là une importante centrale électrique, que l'on a installée dans les territoires.

M. Humphrys: Quelle centrale, monsieur?

M. Dinsdale: Celle de Pine Point. Elle n'est pas aussi grande que celle de Thompson, mais elle est tout de même assez importante.

M. MacDonald: Vous vous souviendrez peut-être, monsieur Dinsdale, que l'alimentation en énergie était l'un des facteurs essentiels pour encourager la société à faire cette mise en exploitation. Il y avait deux éléments: les transports—le chemin de fer—et la disponibilité de l'énergie; et à Penhold, la Couronne s'est engagée à garantir les transports.

M. Humphrys: L'énergie a été fournie grâce à un investissement du gouvernement fédéral, avec un amortissement étalé sur 40 ans, à la condition que la société s'engage par contrat à acheter de l'énergie pendant 20 ans.

M. Dinsdale: Aucune entreprise privée d'énergie ne s'intéressait à ce projet?

M. MacDonald: Je le répète, nul, à ma connaissance, n'est prêt à investir des capitaux importants pour une période d'amortissement de 40 ans.

M. Nielsen: Monsieur le président, puis-je renvoyer M. MacDonald à l'Appendice A à la lettre qu'il vous avait adressée, lorsqu'il dit

[*Texte*]

is not aware of any capital that is prepared to come in.

I infer from his appendix, where he sets forth the corporate structure of Yukon Electric, International Utilities, Canadian Utilities, and so on, that here is a fairly large corporate structure with all sorts of capital that is ready, willing and able to come along. I throw that out as a suggestion and ask the direct question if the Department or NCPC has ever taken the trouble to find out? For instance, was Yukon Electric, International or Canadian Utilities invited to tender on the Anvil project?

Mr. MacDonald: I think I made a careful distinction, Mr. Nielsen, in my earlier remark between the production of power and the retailing of it. I think there are a lot of people who would like to come into the retailing end of it, but I repeat that I am not aware of anybody who is prepared to put in 40-year money.

Mr. Nielsen: On the Anvil project specifically, was private enterprise invited to submit a proposal?

Mr. MacDonald: No, they were not.

Mr. Nielsen: Why not?

Mr. MacDonald: For the reasons I have just indicated. There was no belief on our part that we could hope to secure capital on a 40-year amortization basis.

Mr. Nielsen: But how would you know unless you asked?

Mr. MacDonald: And secondly, it was the decision of the government department that it would be provided by Northern Canada Power as one of our undertakings to the Anvil Mining Corporation Ltd.

Mr. Nielsen: Is it not fair, Mr. MacDonald, to say that the letter reason is the governing reason?

Mr. MacDonald: I think that is quite fair, yes.

Mr. Nielsen: In other words, in that particular project—and since it was raised by Mr. Cullen I am sure he will be interested in the answer—the decision was that the government was going to do it and private enterprise was not going to do it.

Mr. MacDonald: As a matter of fact, it was one of the commitments we made to Anvil to bring Anvil into existence. This is one of the things they wanted. They wanted the federal

[*Interprétation*]

qu'à sa connaissance, nul n'est prêt à investir des capitaux là-bas.

Je conclus de cet appendice, où il décrit la structure de la *Yukon Electrical Co.*, de l'*International Utilities*, de la *Canadian Utilities*, etc., qu'il y a là une structure assez importante, avec toutes sortes de capitaux que l'on est prêt à investir. C'est une idée que je vous propose, et je vais vous poser une question directe: le Ministère ou la CENC se sont-ils jamais donné la peine d'explorer cette possibilité? Par exemple, est-ce que l'on a invité la *Yukon Electrical Co.*, l'*International Utilities* ou la *Canadian Utilities* à faire des offres pour le projet d'Anvil?

M. MacDonald: Je pense avoir bien fait la distinction, monsieur Nielsen, entre la production de l'énergie et sa distribution. Il y a beaucoup de gens, je crois, qui s'occuperaient volontiers de la distribution de l'énergie, mais, je le répète, je ne connais personne qui soit disposé à investir des capitaux pour 40 ans.

M. Nielsen: Mais, dans le cas particulier du projet d'Anvil, est-ce que l'on avait invité l'entreprise privée à soumettre des offres?

M. MacDonald: Non.

M. Nielsen: Pourquoi?

M. MacDonald: Pour les raisons que je viens de donner. Nous n'estimions pas avoir des chances d'obtenir des capitaux avec un amortissement de 40 ans.

M. Nielsen: Mais comment pouviez-vous le savoir sans même avoir demandé?

M. MacDonald: De plus, c'était le Ministère qui avait décidé que la Commission d'énergie du Nord canadien fournirait l'énergie, et cela devait faire partie de ses engagements envers l'*Anvil Mining Corporation Ltd.*

M. Nielsen: N'est-il pas juste, monsieur MacDonald, de dire que cette dernière raison était la raison majeure?

M. MacDonald: Si, en effet.

M. Nielsen: Autrement dit, dans le cas de ce projet particulier—et je suis certain que ceci intéressera M. Cullen, puisque c'est lui qui avait posé la question—on avait décidé que le gouvernement allait s'en occuper, et non l'entreprise privée.

M. MacDonald: De fait, c'était l'un des engagements que nous avions pris avec Anvil pour provoquer sa création. C'était l'une des requêtes: que le gouvernement fédéral et la

[*Text*]

government and Northern Canada Power Commission to undertake the supply of power.

Mr. Nielsen: Surely you are not suggesting that they did not want private enterprise to do it?

Mr. MacDonald: They did not ask for it.

Mr. Nielsen: Was it part of the government's condition with respect to the Anvil agreement that unless NCPC supplied the power as a part of the package they would not get their road, they would not get their bridge, they would not get their townsite and they would not get any other federal investment?

Mr. MacDonald: Not at all. This never entered into the discussion. It was quite the reverse. Quite frankly, Anvil wanted the weight and backing of the federal government on these vital utilities. You might like to ask them about it. I think, to be perfectly honest, they preferred it.

Mr. Nielsen: I see. You say they asked the government to do it in preference to private enterprise?

Mr. MacDonald: They certainly wanted the federal government to do it.

Mr. Nielsen: I do not know if we are on the same wavelength. Did they ask the government to do it in preference to private enterprise?

Mr. MacDonald: From their point of view and from our point of view the question never occurred to them because they were aware of the problems of raising capital as well. All they wanted from us . . .

Mr. Nielsen: Is my question that difficult?

Mr. MacDonald: Not at all.

Mr. Nielsen: Did they ask the federal government in preference to private enterprise to supply power at Anvil?

Mr. MacDonald: I do not know about the latter but the answer to the first part is yes. The question of preference never arose. They did not raise it and we did not raise it.

Mr. Nielsen: All right. This leads to my next line of questioning. This is very important to the whole of the NCPC system in the Whitehorse area, and I would draw to the attention of the members who have been asking questions along these lines that by trans-

[*Interpretation*]

Commission d'énergie du Nord canadien s'engagent à fournir l'énergie.

M. Nielsen: Vous ne voulez tout de même pas dire qu'ils ne voulaient pas que l'entreprise privée s'en charge?

M. MacDonald: Ils ne l'ont pas demandé.

M. Nielsen: Est-ce que l'une des conditions imposées par le gouvernement dans l'accord avec Anvil était qu'à moins que la C.E.N.C. ne fournisse l'énergie, Anvil n'aurait ni sa route, ni son pont, ni son lotissement urbain, ni d'autres investissements du gouvernement fédéral?

M. MacDonald: Non, pas du tout. Cela n'est jamais entré en ligne de compte. Bien au contraire, je vous assure qu'Anvil voulait l'appui du gouvernement fédéral pour ces services essentiels. Vous pourriez peut-être le leur demander. Je pense, honnêtement, qu'ils préféraient que les choses soient ainsi.

M. Nielsen: Je vois. Vous soutenez qu'ils ont demandé au gouvernement fédéral de s'en occuper, plutôt qu'à l'entreprise privée.

M. MacDonald: Ils voulaient assurément, que le gouvernement fédéral s'en occupe.

M. Nielsen: Je ne sais pas si nous sommes branchés sur la même longueur d'ondes. Est-ce qu'ils ont demandé au gouvernement de s'en occuper plutôt qu'à l'entreprise privée?

M. MacDonald: Ni pour eux ni pour nous, la question ne s'est jamais posée, car ils auraient eux aussi conscience de la difficulté qu'il y aurait à obtenir des capitaux. Tout ce qu'ils voulaient de nous . . .

M. Nielsen: Est-ce que ma question est si difficile à comprendre, monsieur MacDonald?

M. MacDonald: Non, pas du tout.

M. Nielsen: Est-ce qu'ils ont demandé au gouvernement fédéral, plutôt qu'à l'entreprise privée, de fournir l'énergie à Anvil?

M. MacDonald: Pour ce qui est de la dernière partie de votre question, je ne sais pas. Mais pour ce qui est de la première partie, la réponse est «oui». La question de la préférence ne s'est jamais posée. Ils ne l'ont pas soulevée, et nous non plus.

M. Nielsen: D'accord. Cela m'amène à mon autre série de questions. Ceci est très important pour tout le réseau de la C.E.N.C. dans la région de Whitehorse, et je voudrais porter à l'attention des membres du Comité qui ont posé des questions dans ce sens, le fait que,

[*Texte*]

• 2120

mission line Anvil is—and Mr. Humphrys will correct me if I am wrong—some 270 miles from Whitehorse.

Mr. Humphrys: It is 225 miles.

Mr. Nielsen: It is 225 miles from Whitehorse, and it is contemplated as being a user of some 9,300 kilowatts. Is that right? There is going to be a line-loss on that 225 miles. Would that be in the neighbourhood of 1,000 kilowatts?

Mr. Humphrys: Yes.

Mr. Nielsen: And the townsite is going to require supplying. What would be your demand there?

Mr. Humphrys: Of the order of 500 kilowatts.

Mr. Nielsen: So we are speaking about something close to 11,000 kilowatts.

Mr. Humphrys: Right.

Mr. Nielsen: And it was in anticipation of the Anvil demand, to say nothing of New Imperial Mines Limited and the increasing user because of the influx of population and industrial development of Whitehorse, that the 8,000 kilowatt unit was to be installed as a third unit in the Whitehorse plant. How is an 8,000 capacity unit going to look after an almost 11,000 demand?

Mr. Humphrys: There is also a 9,000 kilowatts of diesel capacity being installed.

Mr. Nielsen: Was private enterprise asked to take over any portion of this extra burden that was being placed on the Whitehorse facility?

Mr. MacDonald: No, we had ample capacity.

Mr. Nielsen: The impression is also left in Appendix A of the material you submitted with your letter particularly on page 4, that Whitehorse is supplied by the Yukon Electrical Company as a distributor with the NC supplying the hydro, and I think for the purpose of clarification for the other members of the Committee that you would agree that Yukon Electrical Company also, through its own hydro facilities in Whitehorse, supplies a fair chunk of that power. Is that not correct?

Mr. Humphrys: It was stated in the information that Yukon Electrical Company does...

[*Interprétation*]

par la ligne de canalisation, Anvil est situé à—et M. Humphrys me corrigera si je me trompe—270 milles de Whitehorse.

M. Humphrys: 225 milles.

M. Nielsen: 225 milles de Whitehorse, et l'on envisage que sa consommation sera de 9,300 kilowatts environ. Est-ce bien cela? Il va se perdre de l'énergie, sur ces 225 milles—dans les 1,000 kilowatts?

M. Humphrys: Oui.

M. Nielsen: La ville aura aussi besoin de services électriques. Quels seront les besoins?

M. Humphrys: De l'ordre de 500 kilowatts.

M. Nielsen: Donc nous parlons de quelque chose de l'ordre de 11,000 kilowatts.

M. Humphrys: Exact.

M. Nielsen: Et c'était en anticipant la demande de Anvil pour ne pas mentionner New Imperial Mines Limited le développement industriel de Whitehorse et l'augmentation de la population, que l'unité de 8,000 kilowatts devait être construite comme troisième unité de la centrale de Whitehorse. Comment une centrale de 8,000 kW pourra-t-elle fournir à une demande de 11,000 kw.

M. Humphrys: On installe également une centrale diesel de 9,000 kilowatts.

M. Nielsen: Est-ce qu'on a demandé à l'entreprise privée si elle ne pourrait pas prendre à charge une partie de ce fardeau additionnel?

M. MacDonald: Non, nous avions la capacité voulue.

M. Nielsen: On a l'impression en lisant l'appendice A de ce que vous avez soumis avec votre lettre, à la page 4, que Whitehorse est fourni par Yukon Electrical Company à titre de distributeur, avec le CENC fournissant l'Hydro-electric. Et je pense que pour éclaircir la question, vous seriez d'accord que Yukon Electrical, grâce à ses propres services à Whitehorse, fournit une grande partie de l'énergie. Est-ce exact?

M. Humphrys: Dans les renseignements on dit que la compagnie Yukon Electrical...

[*Text*]

Mr. Nielsen: It is later on. But the bare figures leave one with that impression, and most of us read very quickly and very scantily these things.

Mr. O'Connell: Mr. Chairman, I think we read it very carefully.

Mr. Nielsen: I have one further question that arose out of the questioning by Mr. Cullen. You will recall he was asking Mr. MacDonald with respect to the competition of NCPC with investor-owned utilities in the Yukon—and I believe you were on the subject of Anvil—and you agreed with him that there was a competition. Your words were, and I think I have them down here correctly, "because we figured our job was to provide power at the lowest possible cost." Are you asking the members of the Committee to take from that that private enterprise or investor-owned utilities cannot supply power at a lower cost than NCPC?

Mr. MacDonald: I do not think they could supply it at a lower cost, no, for the reasons I indicated at an earlier point in my remarks—the cost of borrowing and the length of amortization in what is one of the most highly capital intensive industries in the whole matrix.

Mr. Nielsen: All right, Mr. MacDonald, but I think you will agree that investor-owned utilities do not get the federal income tax concession that NCPC gets, and that is an added cost to their overhead. And what really struck me, when we are speaking of costs, are the figures on page 5 of your appendix. You just told my friend, Mr. Simpson, that there are 47 employees at Inuvik, 37 employees at Frobisher Bay—and I invite the Committee members to compare the generating capacity of these two plants—31 employees at Fort Simpson, which produces approximately one-fifth, in terms of capacity, of either one or the other two plants. There are two questions arising out of this, Mr. Humphrys. What is the explanation for what appears to be a gross incongruity between Fort Simpson producing 615 kilowatts with 31 employees as opposed to a plant at Inuvik producing some 2,500 kilowatts with 47 employees.

• 2125

Mr. MacDonald: Are you forgetting, Mr. Nielsen, that at Inuvik we are running a water and sewage plant?

Mr. Nielsen: No, I am not forgetting that at all but I assume, Mr. MacDonald, that the

[*Interpretation*]

M. Nielsen: Plus tard, mais les chiffres nous laissent cette impression; nous lisons tous très vite ces choses-là, évidemment.

M. O'Connell: Monsieur le président, je pense que nous les lisons sérieusement.

M. Nielsen: Une autre question qui découle des questions posées par M. Cullen. Il a demandé à M. MacDonald s'il y avait de la concurrence entre la CENC et les sociétés privées au Yukon, je crois que vous parliez d'Anvil et vous avez admis qu'il y avait concurrence. Vous avez dit, je pense que je vous cite correctement: «Parce que nous pensons que c'est de notre devoir de fournir l'énergie au prix le moins élevé possible.» Est-ce que vous demandez aux membres du comité d'en conclure que l'entreprise privée ne peut pas fournir d'énergie à meilleur compte que la CENC.

M. MacDonald: Je ne pense pas qu'ils pourraient fournir d'énergie à meilleur compte pour les raisons que j'ai indiquées. A savoir, à cause du coût d'emprunt, de la durée de l'amortissement dans une des industries qui demande le plus de capitaux.

M. Nielson: Vous serez d'accord que les sociétés privées n'ont pas les avantages fiscaux consentis à la CENC et que ceci s'ajoute à leurs frais généraux. Ce qui m'a frappé, lorsqu'on parle de coût ce sont les chiffres de la page 5, de votre appendice. Vous venez de dire à mon ami, M. Simpson, qu'il y a 47 employés à Inuvik et 37 à Frobisher Bay et j'invite les membres du Comité à comparer la capacité de production de ces deux centrales, comparée à celle de Fort Simpson qui a 31 employés. Cette dernière produit à peu près un cinquième de l'une ou l'autre de ces deux centrales. Comment expliquez-vous cette disparité entre Fort Simpson qui produit 615 kilowatts avec 31 employés, et Inuvik qui produit 2,500 kilowatts avec 47 employés?

M. MacDonald: Oubliez-vous M. Nielsen qu'à Inuvik, nous avons les services d'égoûts et d'eau?

M. Nielsen: Non je ne l'oublie pas, mais il me semble que le même raisonnement s'appli-

[*Texte*]

same reasoning would apply at Inuvik as you have outlined with respect to Dawson—that the same plant personnel would be taking care of it.

Mr. Humphrys: It is an entirely different operation.

Mr. MacDonald: You are seizing upon 47 employees and the production of electricity whereas at Inuvik the think that is dominant there is the heating and water. We are running a utility system besides the electric power plant.

Mr. Nielsen: Okay. I am no power expert but most of the Committee members have seen, for instance, the plant at Watson Lake. In terms of kilowatts, Mr. Humphrys, how much does that produce?

Mr. Humphrys: I have not the figures.

Mr. Nielsen: I believe it is something in the order of 1,000 kilowatts, but I may be wrong in that. I think there are three employees at Watson Lake with the same generating capacity as Fort Simpson with 31 employees. How come?

Mr. Humphrys: At Fort Simpson we operate a central heating plant to heat the school and hostels, we operate our water and sewer system, we do all the maintenance for the government housing and the school and hostel building. The power plant is really a small part of the operation at Fort Simpson. As I say, there are four distinct operations there.

Mr. MacDonald: These are all separately costed and allocated to each of these functions.

Mr. Nielsen: Do you mean to tell me that NCPC personnel operate the heating plant in the hostel at Fort Simpson as opposed to departmental personnel?

Mr. Humphrys: Right.

Mr. Nielsen: Is this the practice elsewhere?

Mr. Humphrys: We do this in several places. That is why we have to staff at Inuvik. We operate a central heating plant that supplies bulk of the community. At Fort Simpson we operate a central heating plant that supplies the hostels and schools. At Fort McPherson we do this. At Frobisher Bay we do it. At Moose Factory we do it.

Mr. Nielsen: This then leads to my next question. Is it the intention of the Department or NCPC—the policy is getting kind of mixed

[*Interprétation*]

querait à Inuvik comme à Dawson, c'est-à-dire que le personel pourrait s'en occuper.

M. Humphrys: Dans une usine différente.

M. MacDonald: Vous utilisez les chiffres de 47 employés et de la production d'électricité, tandis qu'à Inuvik, ce qui prédomine, c'est le chauffage et le service d'eau. Nous avons un système de service public, a côté de la centrale électrique.

M. Nielson: Je ne suis pas un expert, mais la plupart des députés ont vu la centrale à Watson Lake. En termes de kilowatts, combien est-ce que vous produisez là?

M. Humphrys: Je n'ai pas les chiffres.

M. Nielson: Je crois que c'est de l'ordre de 1,000 kW. Il y a trois employés à Watson Lake qui produisent la même énergie qu'à Fort Simpson avec 31 employés. Comment expliquez-vous cela?

M. Humphrys: A Fort Simpson, nous avons une centrale de chauffage pour l'école et les hôtels, un système d'égoût et d'eau, nous faisons tout l'entretien des locaux du gouvernement, de l'école et des hôtels. La centrale n'est qu'une petite partie des services que nous fournissons à Fort Simpson. Comme je l'ai dit nous avons quatre opérations différentes.

M. MacDonald: Nous avons une comptabilité séparée pour chaque opération.

M. Nielsen: Vous voulez dire que la CENC s'occupe du chauffage de l'hôtel à la place du personnel du ministère?

M. Humphrys: Exact.

M. Nielsen: Est-ce l'habitude?

M. Humphrys: Nous faisons ceci à plusieurs endroits. C'est pourquoi notre personnel se trouve à Inuvik. Nous avons un système de chauffage central qui dessert la majorité de la communauté. A Fort Simpson il y a un système de chauffage central qui dessert les écoles et les hôtels. A Fort MacPherson aussi. A Frobisher Bay aussi. A Moose Factory aussi.

M. Nielsen: Ma question est celle-ci: Est-ce que le ministère ou le C.E.N.C., je ne sais pas très bien, désire prendre en main le chauffage

[*Text*]

up here—to take over the operation of the heating plants, for instance, of the two hostels in Whitehorse and other such installations?

Mr. MacDonald: No.

Mr. Nielsen: Is it not more logical to have the departmental people doing this than NCPC people?

Mr. MacDonald: Where, at Inuvik?

Mr. Nielsen: In any of these places.

Mr. MacDonald: No. It is quite a sensible arrangement when you have an organization such as NCPC, which is in the business of maintenance and handling power plant, to take on, as agent—just as any private enterprise frequently undertakes—a contract service for the carrying out of certain specific jobs.

Mr. Nielsen: I submit though to members of the Committee, through you, Mr. Chairman, that what this is doing is increasing the cost of electricity to the consumer. And what we in the Yukon are even more concerned about—I am sorry I cannot get the separation domestically because of the explanations given by Mr. Humphrys—is the comparatively greater trend in the Yukon with respect to user. I contend, because of the figures shown on the last balance sheet of the Commission, that the users in the Uukon are paying, in effect, for what should not be but is an equalization of rates throughout the North—which I think is a very bad and very uneconomic thing for us, at any rate.

Mr. MacDonald: I am not sure just how that happens.

Mr. Nielsen: For instance, we are paying in the $130,000 worth of profit. Let us call it that and not call it a surplus as it was called in Appendix A with respect to $5,100. In effect, it is a profit.

Mr. MacDonald: A contingency fund.

• 2130

Mr. Nielsen: We do not have a contingency fund according to the evidence that was produced last fall.

Mr. MacDonald: Yes, we do.

Mr. Nielsen: But what is happening is that these profits are being used to pay the wages of somebody looking after a boiler at Fort Simpson.

Mr. MacDonald: I am sorry, Mr. Nielsen, that is not correct. I will give you the assur-

[*Interpretation*]

des deux hôtels de Whitehorse et autres installations?

M. MacDonald: Non.

M. Nielsen: Est-ce qu'il ne serait pas plus logique que le personnel du ministère s'en occupe plutôt que le personnel de la CENC?

M. MacDonald: Où, à Inuvik?

M. Nielsen: N'importe où.

M. MacDonald: Non. A Inuvik, c'est très raisonnable, puisque la Commission agit à titre d'agent pour l'entretien et la gestion de la centrale, elle pourrait comme une entreprise privée souscrire des contrats pour certains travaux.

M. Nielsen: Les membres du Comité voudront prendre en considération que ceci augmente les tarifs de l'électricité payé par le consommateur. Ce qui nous inquiète, et c'est dommage que ne puisse avoir la ventilation des chiffres de frais d'électricité au consommateur c'est que les utilisateurs du Yukon paient pour une péréquation des taux dans tout le Nord. Il me semble que ce n'est pas du tout logique économiquement.

M. MacDonald: Je ne sais pas au juste ce que vous voulez dire.

M. Nielsen: Par exemple, nous payons $130,000.00 de bénéfices. Appelons-le ainsi plutôt que l'appeler un excédent comme on l'a dénommé dans l'appendice «A» excédent de $5,100; en effet c'est un bénéfice.

M. MacDonald: Un fonds de contingentement.

M. Nielsen: Nous n'avons pas de fonds de contingentement comme le prouve les chiffres fournis l'automne dernier.

M. MacDonald: Si, nous en avons un.

M. Nielsen: Mais, ce qui arrive, c'est que ces bénéfices sont utilisés pour payer les gages du personnel qui s'occupe de la chaudière à Fort Simpson.

M. MacDonald: Je m'excuse M. Nielsen, c'est inexact ces dispositions sont vérifiées et

[*Texte*]

ance that these arrangements are meticulously costed and if the Committee wants to look at a sample cost allocation on our books this can easily be done. Let me give you the straight assurance that what you suggest does not, in fact, occur. The power costs are segregated. People are allocated, overhead is allocated, just as it is done in any multi-activity of any large corporation, and if you wish to examine the cost accounting we will allow you to do so.

Mr. Nielsen: Mr. MacDonald, I may be uneducated in this respect but I do not know of any other power company that hires personnel to look after heating plants in hostels and to do what apparently is a very wide range of functions unconnected, really, with the generation and distribution of power, which NCPC is doing.

Mr. MacDonald: They are not quite as unrelated as might seem to be when you use it that way. What we are talking about are the skills and capacities needed for the maintenance of large plants in an area where these skills are very scarce, namely the North, because of the lack of density of the population. In one case it might be a diesel or steam generation or a hydro plant, in another it is steam generation for heating, and at Inuvik it is allied to water and sewer services because, you know, the utilidor concept relates to heating and the other two.

It was a policy decision on the part of the Department and of the territorial government now that the most effective way of coping with this problem was to have the Northern Canada Power Commission act as the agent of the Department or the territorial government to carry out this function—because in that northern country they happen to have a very high proportion of the kind of skills that are required for this sort of job. But in so doing it, the cost accounting is very carefully allocated and available for scrutiny.

Mr. Nielsen: Why do it at all? Why does the Department not do it, as they do in the Yukon?

Mr. MacDonald: Because it would certainly be my judgment as the Deputy Minister that the Northern Canada Power Commission have more skills at doing this.

Mr. Nielsen: Well then, one must again—we have gone full circle—come to the conclusion that the Department intends to do it in the Yukon as well because they are more skillful.

[*Interprétation*]

si le Comité veut examiner nos comptes, je vous les passerai. Mais, disons clairement que ce que vous suggérez ne se passe pas. Les coûts de l'énergie sont indiqués très exactement par secteurs. Le personnel, les frais généraux, sont calculés par secteurs ainsi que dans toutes grandes sociétés qui s'occupent de plusieurs services et si vous voulez vérifier vous pouvez.

M. Nielsen: M. MacDonald, je ne suis peut-être pas suffisamment renseigné, mais je ne connais pas d'autres cas de société hydro-électrique qui s'occupe du chauffage central et autres services de ce genre, qui ait une variété de fonctions aussi différentes que celles de la CENC.

M. MacDonald: Ce n'est peut-être pas aussi éloigné l'un de l'autre que vous semblez l'indiquer. Ce dont nous parlons c'est du personnel qualifié requis pour l'entretien de grandes usines, dans une région où le personnel qualifié est très rare; à savoir le Nord parce que la population n'est pas suffisamment dense, cela peut être une centrale électrique une autre fois une centrale de chaffage et comme à Inuvik alliée à un service d'eau et d'égouts.

En fait, disons que le ministère et le gouvernement territorial avaient admis que la meilleure façon de procéder, était de se servir de la Commission de l'énergie du Nord canadien comme agent du ministère ou du gouvernement territorial pour remplir ce rôle parce que dans cette partie du pays il est nécessaire de pouvoir compter sur un nombre de gens qualifiés pour effectuer ce genre de travail. Les coûts sont bien départagés et peuvent être facilement vérifiés.

M. Nielsen: Mais pourquoi le faites-vous? Pourquoi le ministère ne le ferait-il pas, comme au Yukon?

M. MacDonald: Parce que je pense que la Commission a plus de moyens de le faire que nous.

M. Nielsen: On tourne en rond. Il faudrait conclure que le ministère entend faire de même au Yukon parce qu'il est plus habile en ce domaine.

[*Text*]

Mr. MacDonald: No. In Whitehorse you have what is developing as a fairly large urban area, a concentration of population.

Mr. Nielsen: It has always been done this way in Whitehorse, Mr. MacDonald, as you know. NCPC has never done this in Whitehorse since 1948.

Mr. Humphrys: There is one point that should be recognized in this, Mr. Nielsen, in that at Fort Simpson it is a separate heating plant that supplies three different large structures. It is not like the hostels at Whitehorse that have a built-in heating plant. At Fort Smith, for example, they have a hostel and school with a built-in heating plant and that is operated by its own staff. It is only where there are these separate power plant structures.

Mr. Nielsen: Well, Mr. Chairman, I merely wanted to expose that area for the Committee members. I have my own feelings on it. I have one last question, and it has to deal with surplus power, particularly at Whitehorse. I think I know now what Mr. Humphrys was talking about, at least Mr. Humphrys, when he spoke of surplus power at our last meetings.

Surplus power appears to be power available in the Yukon operations only to the Department of National Health and Welfare for the operation of their electric boilers. Is there anything wrong with the policy of including that surplus power, as is the practice in utilities elsewhere, in the availability to the distributor for the purposes of enabling the distributor to sell potential industrial users this power at off-peak times so as to encourage industrial development and the establishment of industrial plants? These are springing up in various areas, as Mr. MacDonald knows. If you made that surplus power available, would that not encourage industrial development? And on the other hand, if you do not make it available, is it not an element which discourages industrial development?

Mr. Humphrys: Surplus power of this nature must be withdrawable if it is to be sold at a low rate. In the case of Whitehorse, the surplus power that is sold to the National Health and Welfare hospital is supplied at a rate that is competitive with the cost of burning oil in an oil-fired boiler for heat, and this power must be withdrawable on demand when it is required to meet the prime load of the system. It must be handled in a fairly blocky chunk so that you can take it back at a moment's notice.

[*Interpretation*]

M. MacDonald: Non. A Whitehorse la concentration de la population devient de plus en plus importante.

M. Nielsen: Les choses se sont toujours déroulées ainsi à Whitehorse, comme vous le savez sans doute. La CENC n'a pas agi ainsi à Whitehorse depuis 1948.

M. Humphrys: Vous devez remarquer monsieur Nielsen qu'à Fort Simpson ce n'est pas la même chose puisqu'une usine séparée de chauffage alimente trois édifices différents. Ce n'est pas la même chose qu'à Whitehorse où le système de chauffage est incorporé à l'hôtellerie. A Fort Smith, par exemple, il y a une hôtellerie et une école et le système de chauffage construit à même tombe sous leur propre responsabilité.

M. Nielsen: Je voulais seulement soulever cet aspect, monsieur le président, pour le bénéfice des autres membres du Comité. Personnellement mon opinion est déjà arrêtée. Maintenant une dernière question concernant l'énergie de surplus, pricipalement à Whitehorse. Je vois maintenant ce que M. Humphrys voulait dire lorsqu'il parlait d'excédent d'énergie.

L'excédent d'énergie semble être l'énergie disponible uniquement pour le ministère de la Santé nationale et du Bien-être social, pour ses chaudières électriques. Est-ce que il serait mauvais de faire entrer cet excédent d'énergie, comme c'est le cas ailleurs, dans les quantités disponibles pour les distributeurs, afin de permettre aux distributeurs, de vendre cette énergie à des utilisateurs éventuels lorsque la demande n'est pas élevée, afin d'encourager le développement industriel et l'implantation de nouvelles industries? Si on mettait cette énergie à la disposition des distributeurs, est-ce que cela n'aiderait pas au développement de la région? Dans le cas contraire, est-ce qu'il ne s'agit pas d'un élément propre à décourager les éventuels investisseurs?

M. Humphrys: Pour que cet excédent d'énergie puisse être vendu à prix réduit il faut qu'il puisse être retiré. A Whitehorse, l'excédent d'énergie vendu au ministère de la Santé l'est à un prix qui concurrence le prix qu'il en coûterait pour utiliser une chaudière à l'huile et de plus, cette énergie doit pouvoir être retirée sur demande. Il doit s'agir également d'une quantité importante d'énergie pour qu'elle puisse être retirée à un moment d'avis.

[*Texte*]

Mr. Nielsen: Okay Mr. Humphrys. If that is logical, then it is just as logical to say that if the oil-fired boilers go on the fritz, power that was surplus before the oil-fired boilers went on the fritz now becomes demand power and therefore users should pay demand prices for it and not surplus prices. Is that is the nature of logic you are applying?

Mr. Humphrys: If that were a continuing proposition, yes.

Mr. Nielsen: This is not what is happening.

Mr. Humphrys: No.

The Chairman: Mr. Kaplan.

Mr. Kaplan: Thank you, Mr. Chairman. I would like to continue in the area Mr. Nielsen

• 2135

was investigating before he turned to the surplus power question, which I confess I do not entirely understand. Mr. Nielsen indicated that he exosed an area where there was some irregularity in the practice of the NCPC, but it struck me, listening to the evidence, that he had exposed an area in which it was clearly demonstrated that the NCPC served a function that private industry perhaps could not serve. I would like to explore that for a moment.

You indicated that the personnel of the NCPC are available to do other important services in the community where they have technical skill. Are extra people hired for that purpose? Or is it a matter of personnel who you require who have some unused capacity in their workday, and to make an efficient utilization of their services you take on extra jobs for them?

Mr. MacDonald: Primarily it is the economies that could be achieved by grouping them in one body of employees who can be deployed effectively against a variety of tasks.

Mr. Kaplan: I see. And Mr. Nielsen has indicated that no private power company would ever do that, which demonstrates to me that in the area you have described anyway there is a good role for a public power company.

Mr. MacDonald: We would feel that if the Northern Canada Power Commission had not been available to take on these responsibilities, we might have been rather hard pressed.

Mr. Kaplan: And that the costs of that community's economic life would be higher, I suppose, because there would be another person there doing that job and some unused capacity in the system.

[*Interprétation*]

M. Nielsen: Bon, très bien. Si ce que vous venez de dire est logique, il est aussi logique de dire que lorsque les chaudières à l'huile font défaut, cette énergie qui était excédentaire jusqu'alors devient nécessaire et ceux qui la désirent devraient payer en conséquence. Est-ce la logique que vous appliquez?

M. Humphrys: S'il s'agissait d'une situation permanente, oui.

M. Nielsen: Ce n'est pas ce qui se produit.

M. Humphrys: Non.

Le président: Monsieur Kaplan.

M. Kaplan: Merci, monsieur le président. J'aimerais continuer dans le domaine qu'a soulevé M. Nielsen avant de passer à la question de l'excédent d'énergie. Ça j'avoue que je n'y connais pas grand chose. Il a parlé d'irrégularité dans les pratiques de la CENC mais il semble qu'il a été démontré, en même temps, que la Commission joue un rôle que l'industrie privée ne pourrait peut-être pas jouer. Vous avez dit que le personnel de la CENC est chargé de certaines autres tâches, là où il se trouve, lorsqu'il le peut. Embauchez-vous plus de personnel à cette seule fin? Ou s'agit-il de personnel dont vous avez besoin, qui peut avoir certains moments de libres et à qui vous confiez d'autres tâches afin de mieux utiliser leurs capacités?

M. MacDonald: Nous songeons d'abord aux économies qui peuvent être effectuées en réunissant ces personnes en un seul groupe et en leur confiant divers tâches.

M. Kaplan: Monsieur Nielsen a dit qu'aucune société privée ne le ferait, ce qui veut dire que dans cette région, il y a place pour une société publique d'électricité.

M. MacDonald: Si la CENC n'avait pas été là pour assumer ces responsabilités, la situation aurait pu être plus critique.

M. Kaplan: Et le coût de la vie économique de cette agglomération aurait été plus élevé, je suppose, parce qu'il aurait fallu recourir aux services d'une autre personne pour effectuer ce travail alors que certaines capacités demeuraient inutilisées.

[*Text*]

Mr. MacDonald: I think that would follow, yes.

Mr. Kaplan: Well then, let me move on to a more general area for a moment. I am far from an expert in any of these questions. I have only begun to think about the North very recently, but it strikes me that one of the great differences between private and public power is that public power should be prepared to operate for purposes other than a profit, and that you do not consider the necessity of making a profit when you decide to go into an area to perform your service. You consider other objectives.

Mr. MacDonald: We think the primary objective is the economic development of the North at the most rapid rate possible, for economic and social reasons.

Mr. Kaplan: I see. When you set your rates in areas where you feel you can perform a service that private industry cannot provide, do you set it to earn a profit?

Mr. MacDonald: No.

Mr. Kaplan: Do you set it either to break even, or to provide at a loss a service at a rate that people can afford to pay?

Mr. MacDonald: We try to hit it at the break-even point, although it might be at a deficit in some years. We have to average it out, and that is why we develop a small surplus at times.

Mr. Kaplan: What do you do with those surpluses? Do you recompute them into the rate as a subsidy for the users at some subsequent period?

Mr. MacDonald: They are used. They have to be, under our statute, confined to that particular project, and if we accumulate a surplus it has to be re-invested in the capital upkeep or repair or replacement of equipment, or rate stabilization.

Mr. Kaplan: Well, is not this question of whether or not you pay income tax really a red herring? If you were subject to the Income Tax Act, there would in fact be no profit on which to pay taxes because you do not organize your rates to produce profit.

Mr. MacDonald: There is no profit.

[*Interpretation*]

M. MacDonald: Je le crois.

M. Kaplan: Bon, alors passons maintenant à un domaine plus général, pendant un instant. Je suis loin d'être expert en la matière. Je n'ai commencé à m'intéresser au Nord que récemment, et ce qui me frappe c'est que l'une des grandes différences entre les Sociétés privées et les sociétés publiques en matière d'électricité, c'est que la société publique serait prête à ne pas réaliser de bénéfices, et que vous ne pensez pas aux profits, aux bénéfices lorsque vous allez, dans une région donnée, offrir vos services. Vous avez d'autres objectifs à l'esprit.

M. MacDonald: Notre premier objectif c'est le développement économique du Nord, au rythme le plus rapide possible, pour des raisons économiques et des raisons sociales . . .

M. Kaplan: Lorsque vous fixez vos tarifs dans une région où vous pensez que vous pouvez rendre un service que ne peut pas rendre l'industrie privée, est-ce que vous fixez votre tarif pour réaliser un bénéfice?

M. MacDonald: Non.

M. Kaplan: Est-ce que vous le fixez de façon à joindre les deux bouts ou si vous songez plutôt à offrir un service, même à perte, à un taux que peut aborder la population?

M. MacDonald: Nous essayons en général d'équilibrer les choses, bien que parfois, il y ait un déficit. Il nous faut tenter d'en arriver à une moyenne, c'est pourquoi nous réalisons certains profits, à l'occasion.

M. Kaplan: Que faites-vous de ces surplus? Est-ce que vous en faites bénéficier les clients?

M. MacDonald: D'après nos statuts, il nous faut utiliser ce surplus sur place. Il peut être réinvesti, ou être utilisé pour l'entretien ou le remplacement de l'équipement, ou pour stabiliser les taux.

M. Kaplan: Est-ce que cette question relative au fait que vous devriez ou non payer des impôts n'est pas tout simplement superflue? Si vous étiez assujettie à la *Loi de l'impôt sur le revenu* vous n'auriez aucun profit à déclarer sur lequel payer des impôts puisque vous ne vous organisez pas pour réaliser de profits.

M. MacDonald: Il n'y a pas de profit.

[*Texte*]

Mr. Kaplan: So that you are not taking away. In a sense you are not taking away...

Mr. MacDonald: It is not a factor that enters into cost.

Mr. Kaplan: That is right, so that whether or not you have to pay income tax does not really bear on whether or not...

Mr. MacDonald: It would not affect the rate structure.

Mr. Kaplan: I see. There is an indication that there might be some other facilities or advantages that you receive for which you do not pay, the use of some departmental services or the failure to depreciate your equipment that is owned by the department, or items of that nature. I cannot see how that injures the people to whom you render your service.

Mr. MacDonald: No. In those situations where that applies we are dealing with a very small consumption load and therefore a very high cost area. These failures to depreciate and to charge in effect ameliorate what would otherwise be a most difficult high-cost situation.

Mr. Kaplan: I see. One of Mr. Nielsen's other observations was that you had a num-

' 2140

ber of big customers with whom you did not have written agreements. Are these customers asking for written agreements?

Mr. Humphrys: Not at the present time.

Mr. Nielsen: Surely your are not saying that Yukon Electric has never asked for an agreement.

Mr. Humphrys: They have made inquiries for an agreement, yes, and this has been under discussion. I was thinking of direct customers of mining companies and so on.

Mr. Kaplan: Written agreement swith some of your customers but not with others, is that the point?

Mr. Humphrys: Yes, that is right.

Mr. MacDonald: But as I mentioned earlier, these usually arise in connection with our having to undertake large capital expenditures. We want commitments with respect to consumption, naturally.

Mr. Kaplan: That brings me, Mr. Chairman, to the last subject I would like to take up and it is in a sense a subject on the other

[*Interprétation*]

M. Kaplan: En d'autres mots, vous ne...

M. MacDonald: Ce facteur n'entre pas dans le coût de revient.

M. Kaplan: Donc, le fait que vous ne payiez pas d'impôts, n'a absolument rien à voir...

M. MacDonald: Ca ne change rien à la structure de nos taux.

M. Kaplan: Je vois. En outre, on a indiqué qu'il y aurait peut-être d'autres facilités ou avantages dont vous bénéficiez gratuitement, par exemple, l'utilisation de certains services du ministère, ou la non-dépréciation d'un matériel qui appartient au ministère, etc. Je ne vois pas en quoi cela peut nuire à ceux à qui vous rendez ces services.

M. MacDonald: Non. Dans les cas où cela s'applique, la consommation est minime et, par conséquent, les coûts élevés. En fait, cette façon d'agir améliore une situation qui risque, autrement, d'être peu intéressante.

M. Kaplan: Monsieur Nielsen a également noté le fait que vous avez certains gros clients avec lesquels vous n'avez passé aucune entente écrite. Est-ce qu'ils ne réclament pas d'entente écrite?

M. Humphrys: Non. Pas en ce moment.

M. Nielsen: Vous ne pouvez pas dire que la *Yukon Electrical Company* n'a jamais demandé à signer un contrat avec vous.

M. Humphrys: Oui, cela a été demandé, mais c'est à l'étude. Je songeais plutôt à des clients directs.

M. Kaplan: Autrement dit, il y a des contrats avec certains et pas avec d'autres, c'est ça?

M. Humphrys: Oui, c'est ça.

M. MacDonald: Comme je l'ai dit précédemment, ces situations surviennent lorsqu'il nous faut investir de fortes sommes d'argent. Il est évident que nous désirons qu'on s'engage à nous acheter telle ou telle quantité d'électricité.

M. Kaplan: Donc, monsieur le président, cela m'amène à la dernière question que je voudrais soulever parce que vous avez men-

[*Text*]

side, because you indicated that the cost of capital in your operation was less than the cost of capital to private industry and I disagree with that. I think it has historically been true that governments have been able to raise money cheaper, if you like, than the private sector, but I do not think that is true any longer.

I think private enterprise has alternative methods of raising money to borrowing on the market. A Company like Yukon Electric, for example, has retained earnings; it has the option of offering stock to shareholders; it can offer warrants, conversion rights on bonds and all kinds of things that the government cannot do.

When the government wants to raise money has to impose taxes or has to borrow it. I think the rate that the government pays is probably higher than the effective rate that you would find industry "paying" for the capital it uses because it has, as I have indicated, all manner of other ways of obtaining capital that are not available to the government. Would you comment on that?

Mr. MacDonald: With respect, I still say that cost to borrow to the government is the lowest form of borrowing of anybody.

Mr. Kaplan: Yes, if you restrict it to borrowing, but I say that...

Mr. MacDonald: Even allowing for the alternative means of borrowing that you describe, with special comment on the subject of retained earnings, obviously if an entity is able to generate sufficient earnings to avoid having to borrow, its theoretical cost at borrowing is, therefore, zero but, in fact, that is not the true cost of borrowing. You must always take it in terms of opportunity cost, and opportunity cost is what you could lend that money to somebody else for.

Therefore, the cost is going to be an equation of the ordinary capital cost of borrowing elsewhere, and I come back full circle to my point that they have to borrow at a cost higher than that for which the federal government can borrow.

Mr. Kaplan: In that case let me deal not with the argument about the cost of capital, but just the availability of capital. I think there may be a limit to the amount of money that it is desirable for a government to borrow in an

[*Interpretation*]

tionné que les frais d'immobilisation dans le cas de votre exploitation étaient inférieurs aux frais d'immobilisation de l'industrie privée et je ne suis pas d'accord avec cela. Je pense qu'historiquement il est vrai que les gouvernements ont pu réunir des fonds à meilleur compte, si vous voulez, que ne pouvait le faire le secteur privé mais je crois que ce n'est plus le cas maintenant. Je pense que l'entreprise privée a d'autres moyens de réunir des fonds que de l'emprunter sur le marché. Une compagnie comme la Yukon Electric, par exemple, a des bénéfices non distribués; elle a le choix d'offrir des dividendes en actions aux actionnaires; elle peut offrir des coupons de dividendes, des droits de conversion d'actions, et faire nombre de choses que le gouvernement ne peut pas faire.

Quand le gouvernement a besoin de fonds il doit lever des impôts ou emprunter. Je crois que le taux que le gouvernement paye est probablement plus élevé que le taux régnant payé par l'industrie pour le capital dont il se sert parce qu'elle dispose comme je l'ai indiqué, toutes sortes d'autres moyens qui ne sont pas à la disposition du gouvernement de se procurer des capitaux. Auriez-vous quelque chose à dire à ce sujet?

M. MacDonald: Avec tout le respect que je vous dois, je maintiens que le coût de l'argent pour le gouvernement est moins élevé que pour tout autre emprunteur...

M. Kaplan: Oui, si vous vous en tenez à l'emprunt, mais ce que je dis...

M. MacDonald: Même en concédant les autres moyens d'emprunt que vous avez mentionnés, avec une remarque particulière au sujet des bénéfices non distribués, il est évident que si une entreprise est en mesure de produire des bénéfices suffisants, les frais d'emprunt sont théoriquement inexistants, mais en réalité, cela ne représente pas les frais véritables de l'emprunt. Vous devez toujours calculer en termes des occasions qui vous seraient offertes, c'est-à-dire de ce que vous pourriez réaliser en prêtant l'argent à un autre.

Le coût sera donc une équation du prix de revient initial et ordinaire d'un emprunt fait ailleurs et je fais un tour complet pour revenir au point que j'avance, que l'entreprise privée doit emprunter à un coût plus élevé que celui qui est accessible au gouvernement fédéral.

M. Kaplan: Bon, alors je voudrais discuter maintenant non pas sur le coût de l'argent, mais plutôt sur la disponibilité des capitaux. Je pense qu'il y a des limites à la quantité d'argent optimale qu'un gouvernement peut

[*Texte*]

economy. Am I taking you out of an area of your competence and...

Mr. MacDonald: No, no; it is an area I would love to go into but I do not know whether that is...

Mr. Kaplan: Many people in Canada feel that the government is too much in the borrowing market and that we ought not to go into the market to borrow money for projects that private enterprise can take on at a cost only marginally different.

Mr. MacDonald: That becomes a social and political judgment in society today. There is nothing intrinsically true economically about that proposition. That is a matter for judgment by Parliament, by people, by electorates, and so on, but there is nothing intrinsically so in economic terms.

Theoretically they put it this way; the Government of Canada, let us say, if it were the only government could do all the borrowing in the country and that would have very little significance economically. It is all a matter of what kind of country it is, that is all.

Mr. Kaplan: I see, thank you.

The Chairman: Mr. Smerchanski?

Mr. Smerchanski: At Inuvik you have a diesel steam generating unit, and then you have a steam generating unit to go into the electrical generator. Is that right?

Mr. Humphrys: At Inuvik the power is generated primarily by diesel, but we do have one steam turbine that is what is called a back pressure turbine, in that the steam is passed through the turbine to operate it to make electricity and then the exhaust from the turbine goes into the central heating system.

Mr. Smerchanski: At Frobisher Bay you have direct diesel electrical combinations; is that it?

Mr. Humphrys: All the generation is by diesel electric, although Frobisher Bay does have steam boilers for the heating purposes too.

Mr. Smerchanski: Then, Mr. Chairman, in those two places with similar conditions more or less on the basis of capacity, and so forth, why in one instance is there a total cost of 4.6 as against 6.75 at Frobisher which is a differ-

[*Interprétation*]

emprunter dans les cadres de son économie. Est-ce que je m'éloigne du champ de votre compétence?

M. MacDonald: Non, non, c'est un domaine dans lequel j'aimerais beaucoup m'engager mais je ne sais pas si cela...

M. Kaplan: Beaucoup de gens au Canada pensent que le gouvernement figure trop souvent sur le marché des emprunts, et que le gouvernement ne devrait pas s'occuper d'emprunter d'argent sur le marché des emprunts pour des projets que l'entreprise privée pourrait entreprendre à un coût qui serait seulement légèrement différent.

M. MacDonald: Cela devient un jugement social et politique de la société aujourd'hui. Il n'y a rien d'intrinsèquement vrai du point de vue économique dans cette affirmation. C'est une question qui doit être jugée par le Parlement, par la population, par l'électorat et ainsi de suite. Mais au plan économique cela ne correspond à absolument rien. En théorie les gens font l'exposé suivant: le gouvernement du Cnaada, à supposer qu'il soit le seul gouvernement, pourrait contracter tous les emprunts au pays, et, en termes économiques, ce procédé aurait très peu de signification. Tout dépend de la sorte de pays qui est en cause. C'est tout...

M. Kaplan: Je vois. Merci.

Le président: M. Smerchanski.

M. Smerchanski: Une courte question. A Inuvik vous avez une génératrice de vapeur qui doit faire partie d'un générateur électrique, n'est-ce pas?

M. Humphrys: Bien, disons qu'à Inuvik l'énergie est produite principalement par diesel, mais nous avons une turbine à vapeur, c'est ce qui s'appelle une turbine à contre-vapeur, du fait que la vapeur passe par la turbine pour lui faire produire de l'électricité et ensuite l'échappement de la turbine s'en va dans le système de chauffage central.

M. Smerchanski: Et à Frobisher Bay, vous avez un ensemble direct diesel-électricité, n'est-ce pas?

M. Humphrys: C'est ça, oui. A Frobisher Bay toute la génération se fait par diesel-électricité, bien que Frobisher Bay n'ait pas de chaudières à vapeur pour le chauffage.

M. Smerchanski: Alors, monsieur le président, comment se fait-il que dans ces deux endroits qui sont pourvus d'installations plus ou moins semblables pour ce qui est de la capacité et ainsi de suite, dans un cas vous

[*Text*]

ence of close to 50 per cent? Is there a suggestion there that possibly at Inuvik the other shared costs or contract services carry part of this capital cost?

[*Interpretation*]

avez un coût total de 4.6 en regard de 6.75 à Frobisher. Devons-nous déduire qu'il est possible que dans le cas de Inuvik les autres frais partagés défraient une partie du prix de revient?

• 2145

Mr. Humphrys: They help a little bit. This is one factor that helps to carry some of the cost. There are other factors; the cost of wages is higher at Frobisher. Frobisher is a higher-cost area to operate in than Inuvik and the cost of fuel is appreciably lower at Inuvik than at Frobisher Bay.

M. Humphrys: Bien, disons qu'ils aident un peu. C'est là un facteur qui aide à défrayer une partie du coût. Il y a d'autres facteurs. Les salaires sont plus élevés à Frobisher. C'est une région où les frais d'exploitation sont plus coûteux qu'à Inuvik et le prix du carburant est sensiblement plus bas à Inuvik qu'il ne l'est à Frobisher.

Mr. MacDonald: At Inuvik we benefit enormously from Norman Wells that Mr. Gundlock was talking about earlier.

M. MacDonald: Ah oui, à Inuvik nous bénéficions énormément des Norman Wells que M. Gundlock a déjà mentionnés.

Mr. Smerchanski: In both places, though, the fuel cost is only one cent a gallon.

M. Smerchanski: Aux deux endroits toutefois, le prix du carburant est seulement d'un cent le gallon.

Mr. Humphrys: Well, it is 1.12 cents at Inuvik and 1.6 cents at Frobisher Bay.

M. Humphrys: C'est 1.12 cents à Inuvik et 1.6 cents à Frobisher Bay.

Mr. Smerchanski: Unless I am reading incorrectly, I have here that the fuel cost at Inuvik is 17 cents a gallon as against 18 cents per gallon at Frobisher.

M. Smerchanski: Eh bien, à moins que je ne me trompe, le coût véritable que j'ai ici pour Inuvik est 17 cents le gallon contre 18 cents à Frobisher Bay.

Mr. Humphrys: I am sorry; I was giving you figures per kilowatt hour.

M. Humphrys: Je m'excuse. Les chiffres que je vous ai donnés étaient pour un kilowatt-heure.

Mr. Smerchanski: There is only one cent a gallon difference in fuel cost, which only amounts to one-twentieth, whereas your increase in cost between the two places in your final total cost is close to 50 per cent.

M. Smerchanski: Il n'y a qu'une différence d'un cent par gallon ce qui ne représente que 20 p. 100 alors que votre augmentation des frais entre les deux endroits dans votre coût total définitif est d'environ 50 p. 100.

Mr. Humphrys: Well, fuel is only one factor. If you are looking at it on a breakdown per kilowatt hour basis per power generator in those two plants, at Inuvik the plant, staff, wages and benefits amounts to 1.75 cents per kilowatt hour whereas at Frobisher Bay it is 2.6 cents; fuel is 1.12 versus 1.6; capital charges is just under one cent, .96 versus 1.76; maintenance costs are higher at Inuvik, last year they were. .41 cents versus .27; miscellaneous charges were .24 versus .16; administration overhead expense worked out to .12 at Inuvik and .36 at Frobisher. That is a reflection of some of the benefits of the other work that we do.

M. Humphrys: En fait, le carburant n'est qu'un facteur. Si on étudie le détail, on s'aperçoit qu'à Inuvik le coût du salaire représente $1\frac{3}{4}$ cent alors que c'est 2 6/10 cents à Frobisher Bay, le carburant 1.2 contre 1.6, les capitaux coûtent un peu moins de 1 cent, 9.6 contre 1.76; l'entretien est plus élevé à Inuvik; l'an dernier c'était 4.1 contre 2.7; les frais divers: .24 contre .16; les frais généraux étaient .12 à Inuvik et .36 à Frobisher. Voilà une réflexion de quelques-uns des bénéfices émanant du travail que nous faisons.

Mr. Smerchanski: Mr. Chairman, would you say that this is because of your contract service, or shared cost basis, that you are giving other services in Inuvik which you are implying carry part of the cost of the electrical service?

M. Smerchanski: Eh bien, monsieur le président, diriez-vous que cela dépend de votre service par contrat ou des frais partagés si vous assurez d'autres services à Inuvik qui, comme vous le laissez entendre, défraient une partie du coût du service d'électricité.

[*Texte*]

Mr. MacDonald: There are efficiencies to be gained when you can combine an operation; the sharing of overhead and some other factors such as a more effective deployment of staff.

Mr. Smerchanski: Let me ask you this: Are the costs of these contract services, or shared services, competitive? I have no way of knowing, but are they competitive with what free enterprise would give you on a contract basis under similar conditions?

Mr. Humphrys: I would say they are less than that because they are done at cost. There is no profit motive in it; we charge the actual labour cost.

Mr. Smerchanski: Including the proper amortization, maintenance, depreciation, and so forth?

Mr. Humphrys: It is essentially a labour cost item and we charge the true cost of the labour.

Mr. Smerchanski: But would the capital charges that you show distributed here be taken in on your contract service or shared service?

Mr. Humphrys: That capital charge is in respect of the generating plant, the power plant only.

Mr. Smerchanski: Yes, I appreciate that, but concerning your shared costs for the contract services, have you made capital allowance costs in your cost of operation?

Mr. Humphrys: Not in the contract operation because there is no capital involved; it is purely a labour and material purchase.

Mr. Smerchanski: Am I to understand, then, that you charge the entire capital cost of the plant installation to the electrical facility?

Mr. Humphrys: That is right. In the case of...

Mr. MacDonald: Only for the electrical plant. There is no depreciation on the Utilidor system or central heating or sewage plants. That is not depreciated.

Mr. Smerchanski: No, Mr. Chairman, but it makes a very big difference in cost. In the electrical facility you have a capital cost in terms of your total cost of operation. Part of

[*Interprétation*]

M. MacDonald: On gagne en efficacité quand il est possible d'intégrer une exploitation; le partage des frais généraux et de certains autres facteurs comme une répartition plus efficace du personnel.

M. Smerchanski: Alors, je vais vous poser la question suivante: est-ce que les coûts de ces services par contrat ou services à frais partagés sont concurrentiels? Je n'ai aucun moyen de le savoir; sont-ils concurrentiels avec ce que l'entreprise privée pourrait offrir sous contrat dans des conditions semblables.

M. Humphrys: Je dirais que les coûts sont inférieurs parce que tout se fait au prix coûtant. Il n'y a pas de but lucratif; nous imputons le coût véritable de la main-d'œuvre.

M. Smerchanski: Compte tenu de l'amortissement approprié; l'entretien, la dépréciation etc.? Donc, c'est surtout un coût de main-d'œuvre?

M. Humphrys: C'est essentiellement une question de coût de la main-d'œuvre et nous imputons le coût véritable de la main-d'œuvre.

M. Smerchanski: Mais, les frais de capitaux dont vous indiquez la répartition ici seraient-ils imputés au service par contrat ou au service partagé?

M. Humphrys: Les frais de capitaux se rapportent à la centrale d'énergie, la centrale seulement.

M. Smerchanski: Oui, je le comprends mais pour ce qui est des frais partagés touchant les services par contrat avez-vous fait des déductions pour amortissement dans vos frais d'exploitation?

M. Humphrys: Non, pas dans le cas du contrat parce qu'il n'y a pas de capital engagé. Il s'agit simplement de payer la main-d'œuvre et les capitaux.

M. Smerchanski: Est-ce que je dois comprendre que, alors, que vous imputez tout le coût des capitaux de la centrale à l'installation électrique?

M. Humphrys: C'est exact. Seulement dans le cas de...

M. MacDonald: Seulement dans le cas de la centrale électrique. Il n'y a pas de dépréciation dans le cas du système Utilidor ou de la centrale de chauffage ou d'égouts.

M. Smerchanski: Non mais, monsieur le président, cela fait une énorme différence dans le prix de revient. Dans l'installation électrique vous avez un coût de capital au

[*Text*]

this capital plant is used for electrical generation and part of it is used for these contract services. Now, is the entire depreciation for this plant carried in as a cost towards the electrical generation?

Mr. Humphrys: Well, the entire cost of the electrical plant that is used for generation of electricity is capitalized; there is a capital expense for that, but in the case of the Inuvik plant, where the plant is a combined central heating and power generation plant, no capital charge is made for the central heating aspect, and this is not reflected in the rate charged for central heat in this particular operation.

Mr. Nielsen: But related to that, Mr. Humphrys, the $65,000 for the water pumping and distribution system in Dawson is included as capital in your last balance sheet as part of the electrical purchase of assets.

Mr. Humphrys: That is as it stood at the time it was purchased; it had not yet been distributed. The water system there is a complete contract operation.

Mr. Nielsen: Yes, but you are still costing it against the . . .

Mr. Humphrys: Not against the electrical part, no.

• 2150

Mr. Smerchanski: Then are you suggesting that in your contract service, or shared service cost, you are not making any allowance for the capital cost of your equipment—that service, that phase of the plant? Is that correct?

Mr. Humphrys: There is no capital equipment involved, Mr. Smerchanski, except in the case of vehicles and we do charge a vehicle rate.

Mr. Smerchanski: Let me come back, then. In other words, are you saying that the depreciation of the entire capital cost of this plant is charged against the electrical facility?

Mr. Humphrys: Only to the extent that the plant generates electricity.

Mr. MacDonald: Only that portion of the plant related to the generation of electricity is charged to the electrical rate.

[*Interpretation*]

niveau de votre coût total d'exploitation. Une partie de cette centrale essentielle sert à la production d'électricité et une autre partie sert à ces services par contrat. Est-ce que l'amortissement entier de cette centrale est imputé comme frais de génération d'électricité.

M. Humphrys: Eh bien, le coût entier de la centrale électrique qui sert à la production d'électricité est capitalisé; il y a une dépense de capital à cet effet, mais dans le cas de la centrale d'Inuvik qui est une centrale intégrée de chauffage central et de production d'énergie, il n'y a aucun frais de capital imputé au poste de la génération d'énergie, et ceci n'apparaît pas dans le tarif exigé pour le chauffage central dans cette exploitation particulière.

M. Nielsen: Mais, dans la même usine les 65 mille dollars, pour le pompage et le réseau de distribution de Dawson apparaît comme capital sur votre dernier bilan, comme faisant partie de l'achat d'actifs se rapportant à l'électricité.

M. Humphrys: C'était le cas au moment où ils ont été achetés; la répartition n'avait pas été faite. Le système d'eau est une exploitation faite entièrement par contrat.

M. Nielsen: Oui, mais vous en imputez encore le coût. . .

M. Humphrys: Non pas à la partie électrique, non.

M. Smerchanski: Alors vous dites que dans votre service par contrat, ou frais de service partagés, vous ne faites aucune déduction pour amortissement se rapportant à votre équipement qui dessert ce secteur de la centrale, n'est-ce pas?

M. Humphrys: Il n'y a pas d'équipement important d'engagé. M. Smerchanski, sauf dans le cas des véhicules, et nous demandons un tarif pour les véhicules.

M. Smerchanski: Permettez-moi de revenir. . . Vous voulez dire que le coût complet des biens d'équipement, l'amortissement complet de la centrale, est considéré comme un amortissement des installations électriques.

M. Humphrys: Dans la mesure seulement où l'usine fabrique de l'électricité.

M. MacDonald: Seulement cette partie de l'usine qui participe à la production d'électricité.

[*Texte*]

Mr. Smerchanski: Now what do you do with the capital depreciation of the other portion of the plant?

Mr. MacDonald: We do not.

Mr. Smerchanski: You do not put it anyplace.

Mr. MacDonald: Right.

Mr. Smerchanski: How do you work your costs? Do you just write it off as $1?

Mr. MacDonald: It is written off, it is absorbed in the accounts of the Government of Canada, where it was first charged.

Mr. Smerchanski: In other words, when it is initially charged it is taken as a government grant and then written off completely.

Mr. MacDonald: In that particular case, that was the history of it. The NCPC was asked to take it on as agent.

Mr. Smerchanski: Are you satisfied that the proportional capital cost allocation to the electrical generating facility at Inuvik was a proper one?

Mr. Humphrys: Yes, as nearly as we can possibly determine.

Mr. Smerchanski: Mr. Chairman, I cannot agree with this reason completely because, truly, when you have a 50 per cent differential in costs, when your oil costs are both the same with similar conditions, the question arises of why Frobisher is not at a lower cost. This is purely academic. I did not appreciate the difference in these two plant costs until it was brought in that there were contract services and shared cost services—and now of course I am more surprised to find that the capital cost of the contract service and shared service was not depreciated into the cost of operations.

The next question follows. Why do you not do the same thing with your capital cost of the electrical facilities?

Mr. MacDonald: Because the decision with respect to the heating portion of the plant and the water and sewage was a policy decision at the time and it was decided not to charge it in the rate because of the problem of the high cost of this facility. It was a policy decision.

Mr. Nielsen: Mr. MacDonald, I have one last question...

The Chairman: Mr. Simpson has indicated he has a question.

[*Interprétation*]

M. Smerchanski: Alors qu'est-ce que vous faites avec l'amortissement des capitaux de l'autre partie de l'usine?

M. MacDonald: Rien.

M. Smerchanski: Vous ne le mettez nulle part?

M. MacDonald: En effet.

M. Smerchanski: Alors, comment est-ce que vous fixez vos coûts? Vous les amortissez comme un dollar?

M. MacDonald: On les amortit; ils sont incorporés aux comptes du gouvernement canadien, où ils étaient d'abord imputés.

M. Smerchanski: Autrement dit, lorsqu'on le perçoit au début, c'est simplement une subvention du gouvernement, et ensuite, c'est terminé?

M. MacDonald: C'est ce qui s'est produit dans ce cas-ci. On a demandé à la C.E.N.C. de le faire.

M. Smerchanski: Êtes-vous certain que la part de l'allocation du coût des immobilisations revenant à l'installation électrique d'Inuvik était celle qui lui revenait vraiment?

M. Humphrys: Oui. Pour autant qu'il est possible de le déterminer.

M. Smerchanski: Monsieur le président, je ne suis absolument pas d'accord avec cet argument parce que, en fait, lorsque vous avez une différence de coût de 50 p. 100, alors que le pétrole coûte le même prix dans les mêmes conditions, la question se pose de savoir pourquoi il ne coûte pas moins cher à Frobisher Bay. C'est une discussion purement abstraite et théorique, mais je n'ai pas vu la différence qu'il y avait entre ces deux coûts avant qu'on les mentionne dans les services à frais partagés, et je m'aperçois alors qu'il n'y a pas eu d'amortissement de fait pour les services. Donc ma question est la suivante: pourquoi ne faites-vous pas la même chose avec le coût des immobilisations des installations électriques?

M. MacDonald: Parce que la décision portant sur le chauffage, l'eau et les égouts, était une question de politique qui était de ne pas prélever de tarifs, de ne pas le porter sur le tarif en raison du coût élevé de cette installation. Il s'agissait d'une décision de principes.

M. Nielsen: Monsieur MacDonald, j'ai une dernière question...

Le président: M. Simpson a indiqué qu'il avait une question à poser.

[*Text*]

Mr. Nielsen: ...and I promise I will not ask another one tonight.

If this is such a non-profit organization—and I will not even refer to the other instances in your last balance sheet—why do we see here on the first page of Appendix B a $5,178 surplus, as it is called?

Mr. MacDonald: Because, Mr. Nielsen—and I think you will find that across many of our areas—we are required to operate at cost in all instances and it is impossible to do this every single calendar or fiscal year. Now we may get a growth of load in an area—we talk of projection of our present structure—that will in fact produce a surplus, but we do not, for example, immediately lower rates because we may well have a concurrent trend which shows increasing costs. There is no point in reducing rates and then having to raise them within two years.

Mr. Nielsen: Yes, but it is a profit, is it not?

Mr. MacDonald: No.

Mr. Nielsen: What would private industry call it, a surplus or a profit?

Mr. MacDonald: No. A profit, you distribute; this, we cannot distribute. This can only go in two places.

Mr. Nielsen: Let us put it this way then: it is revenue over expenses.

Mr. Kaplan: May I ask a supplementary question?

Mr. Nielsen: More revenue than expenses.

Mr. MacDonald: I would more appropriately call it a contingency fund which, by statute, can only be applied to reinvestment in the capital in that area or used to avoid having to raise rates. We do this quite frequently now. We have two or three situations running right now where we have accumulated a surplus, we should be raising rates but we are using the surplus to avoid...

• 2155

Mr. Nielsen: But you said last fall that NCPC does not have a contingency fund.

Mr. MacDonald: Oh yes, we do.

Mr. Humphrys: We have a contingency fund for every plant except in some instances

[*Interpretation*]

M. Nielsen: .. je promets de ne pas en poser d'autres ce soir.

Si c'est véritablement une organisation sans but lucratif—je ne veux pas me reporter à votre dernier bilan—si c'est une organisation sans but lucratif, pourquoi est-ce que, à la première page de l'annexe B, nous voyons un excédent de $5,178?

M. MacDonald: Parce que, monsieur Nielsen, et vous verrez cela dans bien des cas, on nous demande d'exploiter au prix coûtant, et il est impossible de le faire avec précision pour chaque année civile ou financière. On peut peut-être avoir une augmentation de charges dans une région qui, d'après la projection de notre système actuel, nous permettra de fournir un service. On ne va pas immédiatement abaisser le tarif parce qu'il est alors possible de voir que, peut-être, il y aurait une augmentation des coûts. Il serait stupide de baisser le tarif, puis de le remonter dans les deux ans qui suivront.

M. Nielsen: Oui, mais c'est un profit, n'est-ce pas?

M. MacDonald: Non.

M. Nielsen: Alors, comment est-ce que l'industrie privée appellerait cela, surplus ou profit?

M. MacDonald: Non. Un profit que l'on distribue; mais nous ne pouvons distribuer cela. Cela ne peut aller qu'à deux places.

M. Nielsen: Autrement dit, les revenus excèdent les dépenses.

M. Kaplan: Puis-je poser une question supplémentaire?

M. Nielsen: Plus de revenus que de dépenses.

M. MacDonald: Disons que c'est un fonds de réserve qui, d'après la loi, ne peut être réinvesti que dans le capital, ou utilisé pour éviter d'augmenter les tarifs. Et on le fait souvent maintenant. Nous avons deux ou trois situations maintenant où nous avons accumulé un excédent; nous devrions élever les tarifs, mais nous avons recours à l'excédent pour éviter...

M. Nielsen: Mais vous avez dit l'automne dernier que la C.E.N.C. n'avait pas de fonds de réserve.

M. MacDonald: Mais bien sûr qu'il y en a un.

M. Humphrys: Nous avons un fonds de réserve pour chaque usine, sauf dans certains

[*Texte*]

there have not been enough funds developed to create a contingency fund.

Mr. MacDonald: If there is no surplus, if we are in a rising cost curve, we cannot accumulate when we do not have a surplus.

Mr. Nielsen: Well, you sure have one in Whitehorse.

Mr. MacDonald: The Whitehorse situation is very clear. We have a growth of load which is producing a surplus. But that is precisely what I referred to a moment ago; we see concurrently a rising cost curve because of the need to put incremental loads in it. We could reduce rates right now but we would probably have to put them again in two years.

The Chairman: Mr. Kaplan indicated that he had a supplementary on this.

Mr. Kaplan: This is a supplementary to Mr. Nielsen's question. I am sorry I do not have the material that shows those figures, but what percentage of revenue does that $5,000 represent in the period in question?

Mr. Humphrys: That particular year it was almost exactly 10 per cent. But I might say that the next year it operated at a deficit, and the second year it operated at a deficit because of the rising cost factor with virtually no increase in consumption in this particular community.

Mr. Kaplan: Are there any areas in which you compete with private enterprise, side by side as it were, offering the same service?

Mr. Humphrys: No.

The Chairman: Mr. Simpson?

Mr. Simpson: Mr. Chairman, I would like to get back to a subject I spoke of a moment ago. In relation to employment we were told that there were some 37 employees at Frobisher and I think it was 47 at Inuvik. However, the explanation was that in these two places certain extra services were performed by NCPC. Now do such services as the operation of heating plants for the hostels and water and sewage plants generally demand a less skilled employee than some of the other operations?

Mr. Humphrys: Well, that depends. At Inuvik a number of these extra employees are steam engineers who are much more highly skilled. You need one highly skilled man in

[*Interprétation*]

cas, où il n'y avait pas assez de fonds pour créer un fonds de réserve.

M. MacDonald: S'il n'y a pas de surplus, et que le coût augmente, nous ne pouvons pas accumuler.

M. Nielsen: Vous en avez sûrement un à Whitehorse.

M. MacDonald: La situation à Whitehorse est très claire. Nous avons une augmentation de la charge qui entraîne un excédent. Mais c'est précisément ce dont j'ai parlé il y a un instant. Nous voyons en même temps une augmentation de la courbe du coût, parce qu'il serait possible peut-être maintenant de baisser les tarifs. Mais il faudrait probablement les remonter dans deux ans.

Le président: M. Kaplan voulait poser une question supplémentaire.

M. Kaplan: C'est une question complémentaire à celle de M. Nielsen. Je m'excuse de ne pas avoir le document qui indique ces chiffres mais en ce qui concerne ces $5,000, est-ce que je pourrais demander ce que cela représente comme pourcentage des recettes?

M. Humphrys: Eh bien, cette année-là, cela a représenté exactement 10 p. 100. Mais je dois dire que l'année suivante, c'était un déficit, et l'année suivante encore, c'était un déficit, à cause de l'augmentation du facteur coût, sans augmentation de la consommation, dans cette localité donnée.

M. Kaplan: Est-ce qu'il y a des régions où vous faites concurrence à l'entreprise privée, autrement dit, où vous entrez en concurrence en offrant le même service?

M. Humphrys: Non.

Le président: Monsieur Simpson?

M. Simpson: Monsieur le président, j'aimerais revenir à une question que j'avais soulevée il y a un instant, en ce qui concerne l'emploi. On nous a dit qu'il y avait quelque 37 employés à Frobisher et je ne suis pas certain si c'était 47 à Inuvik, mais je crois que c'était cela. Or, l'explication qui a été donnée est que, à ces deux endroits, il y avait certains services supplémentaires fournis par la CENC. Or, ces services, comme, par exemple, l'exploitation du chauffage central pour les hôtels, ou des égouts modernes, est-ce que tout cela demande en général des employés moins qualifiés que d'autres?

M. Humphrys: Cela dépend. A Inuvik, il y a parfois des ingénieurs de chaudière qui sont des gens particulièrement compétents. Ils doivent être très compétents. Certains employés,

[*Text*]

the water system, virtually a laboratory technician. Then a number of these employees at Inuvik are tradesmen—appliance repairmen, welders, electricians and plumbers. We do all the electrical-mechanical maintenance in Inuvik, including refrigeration, except painting and carpentry.

Mr. Simpson: Are skilled men required for the maintenance of the Utilidor System?

Mr. Humphrys: Yes, pipefitters and welders. There will be a few labourers involved, too, but essentially we do have to have skilled trades.

Mr. Simpson: Are the native people employed generally confined to a labouring class of work at those two points?

Mr. Humphrys: No, they are advanced. If they show aptitude they, certainly are advanced. At Inuvik, for instance, we have a native man who is assistant on the electrical distribution system—you might call him the assistant foreman.

Mr. Simpson: The reason I am asking is that in earlier meetings, when NCPC were before the Committee, many members were quite concerned about the small number of native people employed by NCPC. I think a lot of the members were quite critical of the fact that there were not too many native people employed. Now that we find out that NCPC have these additional duties, I am wondering just how many of the very few native people who are employed are actually in the labouring class.

Mr. MacDonald: On the point you made about there being very few employed, I would refer to my earlier testimony. Of the total number of permanent staff, namely 213, 83 are indigenous to the region.

Mr. Nielsen: What do you mean by "indigenous"?

• 2200

Mr. MacDonald: Indians—27, Métis—24, Eskimos—16, Northern residents—people born in the North for whom we had to take the count as well—16, for a total of 83. So I do not think it is accurate to say, as seems to be the growing tendency, that very few are employed by the Northern Canada Power Commission. Again, I have given you individual instances of individuals rising through to the supervisory levels as they develop these skills. Certainly it is the policy to do this.

[*Interpretation*]

à Inuvik, sont soudeurs, plombiers, électriciens. Nous faisons tout l'entretien mécanique et électrique à Inuvik, y compris la réfrigération, sauf la peinture et la menuiserie.

M. Simpson: Est-ce qu'il est nécessaire d'avoir des gens particulièrement compétents pour l'entretien du système «Utilidor»?

M. Humphrys: Oui, il faut des plombiers et des soudeurs. Il y a évidemment quelques manœuvres, mais en gros, il faut avoir des gens compétents.

M. Simpson: Je voudrais savoir si les indigènes qui sont employés ne sont généralement que des manœuvres, dans ces deux domaines?

M. Humphrys: S'ils ont d'autres aptitudes, on peut certainement les envoyer dans un autre secteur. Par exemple, à Inuvik, nous avons un indigène qui est le contremaître adjoint pour le système de distribution d'électricité.

M. Simpson: Je pose cette question parce que, lors des séances précédentes, lorsque la CENC a témoigné devant le Comité, beaucoup de membres du Comité s'inquiétaient du peu d'Indiens employés par la CENC, et je pense que beaucoup de membres critiquaient le fait qu'il n'y avait pas beaucoup d'indigènes. Et je me demande si, maintenant qu'on s'aperçoit que la CENC a fixé ses conditions, je voudrais savoir combien d'Indigènes dans les quelques personnes employées sont des manœuvres?

M. MacDonald: Pour ce qui est du petit nombre, je vous renvoie à mon témoignage précédent. Sur l'effectif permanent, soit 2-3 personnes, 83 sont des Indigènes.

M. Nielsen: Que voulez-vous dire par «Indigène»?

M. MacDonald: Indiens: 27, Métis: 24, Esquimaux: 16, résidents du Grand Nord, c'est-à-dire les personnes nées là et dont il faut tenir compte: 16, pour un total de 83. Alors, je ne crois pas qu'il soit juste de parler d'une tendance selon laquelle la Commission d'énergie du Nord canadien emploie peu d'Indigènes. Je vous ai cité en exemple certains Indigènes qui ont atteint le niveau de surveillant grâce à leur compétence. C'est là notre politique.

[*Texte*]

Mr. Simpson: I think I am quite correct in saying that in earlier meetings some of us were quite critical of the fact that there were not too many employed.

Mr. MacDonald: This is what I am a bit puzzled about because I had given this evidence.

Mr. Simpson: Well in Appendix A on page 3 we have shown employment of native Indians in NCPC operations. At Dawson the figure is nil, one at Mayo, and at Whitehorse—nil.

Mr. MacDonald: Yes, but I have given you the global figures—27 Indians employed by the Commission; 24 Métis; 16 Eskimos; and 16 people born in the North—83 out of a total of the 213 which is, given the length of time the edicational system has been in process and the problems of social adjustment and the technical problems that the Canada Power Commission faces in this area, I think, if not the best record in the world, at least certainly progress.

Mr. Simpson: I am wondering if we could find out just how many of them, out of these 83, are actually in the labouring class where no great skill is required.

Mr. Humphrys: I do not think I have that breakdown, Mr. Simpson, but I would have to say that the majority are in the labouring class because they have not advanced.

But there are some cases, as Mr. MacDonald mentioned earlier, such as this man Mr. Evans. He was a Métis at Fort Smith who had been trained and with the Commission a number of years. He has advanced to the position of assistant superintendent. We had another Metis who became the superintendent of a plant and he was actually moved out of the Northwest Territories to Field, B.C. We have linemen and assistant linemen. We have two or three Eskimos at Frobisher Bay who are linemen, which is a skill trade, and who are working at the top of the poles, but I cannot give you an actual number by number breakdown as to what they are. I do not have it in that detail.

Mr. Simpson: The reason I am asking is that I know the Committee members are vitally interested in the opportunities, particularly the opportunities that we feel that corporations such as NCPC should provide, not only to hire but to train native Eskimo and Indian people to be able to accept better positions with the Corporation.

The Chairman: Does that complete your questioning.

[*Interprétation*]

M. Simpson: Je pense que lors d'une séance précédente, certains d'entre nous ont critiqué le fait qu'il n'y avait pas beaucoup de personnes employées permi les Indigènes.

M. MacDonald: Ce qui me surprend un peu, car j'ai démontré le contraire.

M. Simpson: A l'annexe A, à la page 3, nous avons donné le nombre d'Indiens employés par la C.E.N.C. A Dawson: zéro, à Mayo: un, Whitehorse: zéro.

M. MacDonald: Je vous ai donné les chiffres dans leur ensemble. Vingt-sept Indiens employés par la Commission, 24 Métis, 16 Esquimaux et 16 personnes nées dans le Nord, c'est-à-dire 83 personnes sur un total de 213. Depuis le temps qu'il y a un service d'enseignement et les problèmes techniques et sociaux auxquels nous faisons face dans le Nord, je pense que, même si ce n'est pas un record, nous avons certainement fait du progrès.

M. Simpson: Je me demande si nous ne pourrions pas établir combien d'entre eux sont vraiment des gens qui n'ont aucune vraie formation?

M. Humphrys: Je ne sais pas si j'ai les chiffres mais la majorité sont certainement des ouvriers.

Il y a des cas comme M. Evans qui était un Métis à Fort Smith, comme M. MacDonald l'a mentionné plus tôt, qui a été formé par la Commission et il est maintenant surveillant adjoint. Nous avons un autre Métis qui est devenu surveillant d'une Centrale et a été envoyé à Field, en Colombie-Britannique. Nous avons des poseurs de lignes et des assistants. Nous avons 2 ou 3 Esquimaux à Frobisher Bay qui sont des hommes spécialisés dans les réparations des lignes de transmission. Je ne peux pas vous dire le nombre exact.

M. Simpson: La raison pour laquelle je pose cette question c'est que je sais que les membres du Comité sont très intéressés aux emplois, surtout aux emplois que nous pensons qu'un organisme telle que celui-ci devrait fournir aux Esquimaux et les Indiens.

Le président: Est-ce que votre question est finie, M. Simpson?

[*Text*]

Mr. Simpson: I have a short question—well, it may not be so short. Mr. Nielsen in a number of his questions tonight tried to get an answer from the management of NCPC on whether or not they felt they could supply electric power less expensively to the people of the Yukon than could privately owned utilities in the Yukon and I gathered that the answer was that you felt that you could supply power at an equivalent rate.

Mr. MacDonald: At less cost, I think, Mr. Chairman.

The Chairman: You felt it was at less cost.

Mr. MacDonald: For the reasons I mentioned earlier, the cost of capital.

The Chairman: My question is this. Since the distribution of the power in many parts of the Yukon is being carried on by the Yukon Electric Company, do you feel that if this distribution were done by the NCPC it could be done at a cost equivalent to what it is now? Or could you do it less expensively, or would it cost more, or do you have any answer to that question?

Mr. MacDonald: I think on the distribution end of it it would probably be pretty close because we are not entering into the question of the large capital requirement.

Mr. Nielsen: How about the cost of that line to Anvil? How many millions did that cost?

Mr. MacDonald: Oh, that is a capital cost. In that case I think it would be cheaper under public auspices than under private, again for the reason of the cost of borrowing

• 2205

and the length of amortization, but in the distribution field the capital formations are less significant.

The Chairman: So do you feel there would be any appreciable difference between the two costs or do you feel that given the alleged efficiencies of private enterprise they could do it perhaps slightly less expensively than a publicly owned distribution system?

Mr. MacDonald: There would be so many factors which would enter into it, including the relative efficiencies of the institutions you would argue about, and this would be a matter of judgment. In theory at least I think the combination of the wholesaling and retailing functions should permit you to sell it, even on the retail side, somewhat more cheaply.

[*Interpretation*]

M. Simpson: J'ai une question très brève à poser. Monsieur Nielsen, ce soir, dans la plupart de ses question a essayé d'obtenir une réponse à une question qu'il avait posé à la direction aux fins de savoir s'il était possible de fournir de l'énergie électrique à un taux moins élevé à la population du Yukon que ne pourrait le faire l'entreprise privée et la réponse avait été, je crois, que vous pouviez fournir le courant à un taux équivalent, est-ce que c'est exact?

M. MacDonald: A un coût moindre, M. le président.

Le président: Vous pensez que cela est fait à un coût moins élevé?

M. MacDonald: Pour les raisons que j'ai indiquées, plus tôt, le coût du capital.

Le président: Ma question est celle-ci: Vu que la distribution du courant dans un grand nombre d'endroits du Yukon est sous la responsabilité de la Yukon Electric Company, êtes-vous d'avis que si la distribution était effectuée par le C.E.N.C., les coûts seraient équivalents au coût actuel, ou est-ce que vous pourriez le faire à un tarif moins élevé, ou plus élevé? Avez-vous une réponse à cette question?

M. MacDonald: Du point de vue de la distribution, cela serait probablement semblable, car, nous ne tenons pas compte des énormes capitaux investis.

M. Nielsen: Mais le coût d'une ligne pour Anvil? Combien de millions coûte la ligne?

M. MacDonald: Oh, ceci correspond à une immobilisation. Dans ce cas-là, la dépense serait moindre si c'était une dépense gouvernementale, plutôt que privée à cause du taux d'intérêt des emprunts et la durée de l'amortissement. Mais dans le domaine de la distribution les besoins en capital jouent un rôle de moins important.

Le président: Y aurait-il une différence appréciable entre les coûts selon un système ou l'autre, ou bien étant donné l'efficacité de l'entreprise privée, pensez-vous qu'elle pourrait le faire à un coût moins élevé que ne pourrait le faire une entreprise publique?

M. MacDonald: Il y a tellement de facteurs à étudier, y compris l'efficacité des deux institutions et il s'agirait d'une question de jugement. En théorie du moins. Il me semble que la combinaison gros-détail devrait vous permettre de vendre un peu moins cher par l'entremise d'un service public.

[*Texte*]

The Chairman: Than the public system?

Mr. MacDonald: Yes.

Mr. Nielsen: Mr. Chairman, I take it from that answer—just to make sure I have it right because this is the kind of answer I was trying to get before—that Mr. MacDonald is saying that NCPC can both generate and distribute more cheaply than private enterprise.

Mr. MacDonald: I think the combination of both, Mr. Nielsen, would probably let you do it more cheaply because of the spread of overheads in the organization.

The Chairman: In one of your answers, Mr. MacDonald, you indicated that you felt that the two functions of President of NCPC and Deputy Minister of Indian Affairs and Northern Development were useful in combination because one of the objectives of the Department of Indian Affairs and Northern Development was the economic development of the North and that you felt that the NCPC was a useful tool in achieving this economic development.

Would it be an even more useful tool or would it affect its effectiveness as a tool for the economic development of the North to have both the production of electricity and the distribution of electricity combined in one publicly owned utility, or am I getting into government policy?

Mr. MacDonald: Well, I can only state that this is in fact what we have done in Anvil and it has certainly been a great help to be able to make total commitments with respect to the production and sale of power when we were negotiating with Anvil to bring them into the kind of investment that they eventually made.

The Chairman: So you feel that if the two items were combined and you had simply one organization handling all the electricity, production and distribution, in the Yukon, this would be an even more useful instrument, in your view in promoting the economic development of this territory.

Mr. MacDonald: I think it would certainly be no less effective than the present system, and possibly more effective.

Mr. Smerchanski: Mr. Chairman, if I may ask one supplementary question.

With all these discussions going on and our not being able to have all the facts precisely laid out because when you ask a question there is some other circumstance or condition that seems to affect the answer—that the

[*Interprétation*]

Le président: Que les services publics?

M. MacDonald: Oui.

M. Nielson: Je voudrais m'assurer que j'ai bien compris parce que c'est le genre de réponse que j'ai essayé d'obtenir auparavant. M. MacDonald dit que le C.E.N.C. peut produire et distribuer à des frais moins élevés que l'entreprise privée.

M. MacDonald: Je pense que oui. Parce que le coût des frais généraux est moins élevé.

Le président: Dans une de vos réponses, Monsieur MacDonald, vous avez indiqué que vous étiez d'avis que les deux fonctions de président de C.E.N.C. et de sous-ministre des Affaires Indiennes et du Nord canadien était une combinaison de poste utile, parce que le but de votre ministère était de développer le Nord du point de vue économique et vous étiez d'avis que le C.E.N.C. serait un instrument utile à ce sujet.

Serait-il un outil encore plus utile, ou est-ce que son efficacité serait multipliée si la production d'énergie et la transmission du courant étaient réunies en une seule société d'État? Ou est-ce que je reviens à une question de politique du Gouvernement?

M. MacDonald: C'est ce que nous avons fait à Anvil et cela nous a beaucoup aidé en cherchant à établir quels seraient les engagements. Lorsque nous avons négocié avec Anvil et cela a obligé la Compagnie à investir, ce qu'ils ont fait dans cette région-là.

Le président: Vous êtes d'avis alors qu'ils ont réuni dans une seule organisation la production et la distribution du courant dans le Yukon, et que ce système serait encore plus efficace dans le développement du Nord?

M. MacDonald: Non moins efficace que le système actuel et probablement plus efficace.

M. Smerchanski: Monsieur le président, je voudrais poser une autre question supplémentaire.

Au cours de toutes ces discussions, et parce que tous les faits ne sont pas soumis au Comité, lorsqu'on pose une question on entrevoit qu'une autre circonstance peut affecter la réponse, on s'aperçoit que les coûts sont

[*Text*]

costs are not segregated or they may be involved with something else and it is made on an arbitrary decision but otherwise it is made on a clear-cut basis—I would like to leave the suggestion, and I think possibly this should be done in the not-too-distant future, that an outside private consulting firm should make a very detailed study of the power situation in the Yukon. I think that this could be done on the basis of complete cost of engineering from generation to power line distribution without bringing in any economic conditions, but a straight engineering cost and I think that this would be a very simple one. It would not have to cost too much money and I think it would clear the air to a great extent in the minds of the members of this Committee and certainly as far as the. Department is concerned. Mr. Chairman, has such an engineering cost sutdy ever been made by a private consultant and, if not, could it be made?

The Chairman: Perhaps I could suggest something to you, Mr. Smerchanski—that you direct this question to Mr. MacDonald. He may have an answer to it now, but it would be an interesting question to direct to Professor Anderson. Professor Anderson was responsible for the electrical recommendation contained in the Carr Report and he will be with us on Tuesday. You could perhaps go into this with him but perhaps Mr. MacDonald has answer to that now.

Mr. MacDonald: No, I do not believe any such study has been made although there may have been varying elements of one. We have commissioned a study on the hydro power potential of the Yukon, which may not be quite what you have in mind.

Mr. Smerchanski: What I had in mind, Mr. Chairman, is strictly a study and a report made on what has been expended, what has been developed, what has been amortized, the state of the equipment, its useful life in the near future, and do away with all speculation in the realm of economic development and so forth but go strictly on the basis of the cost and what it does. Can free enterprise do the same type of work compared to the government and, if it can, what is the difference in cost?

Mr. MacDonald: I think that is a different kind of study.

The Chairman: Mr. Nielsen indicated that he had a question, Mr. Kaplan.

Mr. Kaplan: I only wanted to make an observation, not to ask a question, and that is—this is an age-old question—can private

[*Interpretation*]

englobés dans un autre système de comptabilité ou quelque chose comme ça. Je voudrais proposer, je pense que dans un avenir assez rapproché une société privée fasse une étude visant l'énergie dans le Yukon, établissant quels sont les coûts, quelle est la distribution par les lignes de transmission etc... Et il devrait y avoir une étude des coûts pour le génie. Ça ne devrait pas coûter trop cher et je pense qu'on aurait un meilleur aperçu de la question. Les députés seraient plus en mesure de juger. Est-ce qu'on a fait une étude de ce genre et est-ce qu'une société privée pourrait entreprendre ce genre d'étude?

Le président: Je vais vous proposer quelque chose. Poser cette question à M. MacDonald. Il serait intéressant de diriger la question au professeur Anderson. Le professeur Anderson est responsable des recommandations quant à l'énergie électrique qui se trouve englobée dans le rapport. Et vous pourriez discuter de la question avec lui. Mais, peut-être que M. MacDonald peut vous répondre.

M. MacDonald: Non, je ne pense pas qu'on ait entrepris une étude de ce genre, mais une étude dans sa totalité n'a jamais été faite. Nous avons demandé qu'une enquête soit faite sur le potentiel de l'énergie électrique dans le Yukon, mais ce n'est pas tout à fait la même chose.

M. Smerchanski: Je songeais plutôt à un rapport au sujet de ce qui a été développé, de ce qui a été dépensé, ce qui a été amorti, car les conditions de l'équipement sont sans considération aucune au sujet du possible développement économique. Quels sont les coûts dans ce domaine? Est-ce que l'entreprise privée peut remplir les mêmes fonctions que les services publics? Et si oui, quelles sont les différences de coût.

M. MacDonald: C'est un différent genre d'études.

Le président: M. Nielsen a une question. M. Kaplan.

M. Kaplan: Je veux simplement faire une observation, et non poser une question. C'est-à-dire que c'est une question aussi

[*Texte*]

enterprise operate cheaper than can the government? I doubt if any investigation would yield an answer that would be satisfactory to everybody because doctrine is involved, and ideology, and it becomes a very hard question to really satisfy yourself about.

The question I recommend we ask is whether private enterprise is capable of providing electricity at reasonable prices, and I think my approach would be to ask private enterprise that question from time to time. Can you provide this service at a reasonable price in this area, and if they can do it my inclination would be to let the government do something else with its resources.

Certainly in the North there are enough things to do that we do not have to go around doing things that private enterprise can do at reasonable prices, but if we wanted to deal with and seriously direct ourselves to the question of whether free enterprise is better—and I suppose that is what we are after—than government activity I do not think we would get anywhere.

Mr. Southam: Mr. Chairman, just as a supplementary observation to what Mr. Kaplan has said, I think the statement he made of free enterprise plus government intervention so far as the provision of these services is concerned would be true here in the more urbanized and highly industrialized areas. However, in thinking of the North I can understand governments over the years setting up a policy where the government would have to mother the development of the North, but I think there comes a time when we will be developed enough up there that we would feel that perhaps private enterprise could take over in a private enterprise nation like we have.

I am very interested in Mr. Smerchanski's suggestion that possibly this is the time for an economic engineering study to see if we have reached the stage in the development of the North where we should encourage private capital to come in and carry on these services rather than have the government involved in them.

I am disappointed to hear still a sort of tendency on the part of the government to feel that they still supersede; that is, their efficiency in providing capital and developing and providing these services still supersedes the benefits of private capital.

The Chairman: We are in discussion now and I believe we still have a couple of questions indicated, one from Mr. Thomson.

[*Interprétation*]

vieille que le monde. L'entreprise privée peut-elle offrir à moindre frais les mêmes services offerts par le gouvernement? Je doute que l'enquête puisse nous donner une réponse qui satisfasse tout le monde parce qu'il y a l'idéologie et la doctrine qui entre en jeu et vous pouvez difficilement parvenir à une opinion qui soit vraiment satisfaisante.

La question que nous devrions poser est celle-ci: est-ce que l'entreprise privée peut fournir l'énergie électrique à des taux raisonnables, et me semble, que l'on devrait, de temps à autre, poser cette question à l'entreprise privée. Pouvez-vous fournir ce service à des prix raisonnables pour ce secteur et s'ils peuvent le faire, je laisserais le gouvernement utiliser ses ressources d'une autre façon.

Certes il y a dans le Nord suffisamment à faire sans aller accomplir des tâches que l'entreprise privée peut faire à des prix raisonnables, mais si nous voulons sérieusement essayer de savoir si l'entreprise privée est plus efficace que le gouvernement, et je pense que c'est là notre objectif, nous ne parviendrons jamais à quelque chose de concret.

M. Southam: Monsieur le président, j'aimerais commenter ce que Monsieur Kaplan vient de dire. Il me semble que la déclaration qu'il a faite à propos de l'entreprise privée et de la collaboration du gouvernement en ce qui concerne les mesures prises pour assurer ces services serait urbanisés et hautement industrialisés. Cependant, lorsque je songe au Nord, je comprends très bien que les gouvernements aient établi au cours des années une politique qui oblige le gouvernement à parrainer la mise en valeur du Nord, mais il arrive un jour où le Nord sera assez mis en valeur pour inviter l'entreprise privée de jouer son rôle dans le Nord.

Et je note la suggestion de M. Smerchanski, que le moment est peut-être venu pour entreprendre une étude économique, pour établir si oui ou non, nous en sommes arrivés au point, où nous devrions encourager le capital privé à venir fournir ces services plutôt que de laisser ces services sous la direction du gouvernement. Je suis déçu de savoir qu'il y a eu tendance de la part du gouvernement de croire qu'ils peuvent mieux que les autres; c'est-à-dire de croire que leur aptitude à fournir le capital et à mettre en valeur et assurer ces services peut remplacer les avantages offerts par le capital privé.

Le président: Nous sommes en pleine discussion et je crois que nous avons encore quelques questions, Monsieur Thomson (Battleford-Kindersley)?

[*Text*]

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have deliberately not spoken on this particular section because I felt there were some who were much closer to the problem than I am. However, from this last particular bit of discussion I think in connection with the power development in the North, as anywhere else, you might have cheaper power if you produced it for Whitehorse, but I could see some of the smaller fringe areas paying a whole lot more.

I live on a farm miles from anywhere in Saskatchewan and I could not see anyone ever producing power at a profit to farms situated in the same way as mine, and this will go on forever.

• 2215

At the same time, I do not see any reason why the people, shall we say in Saskatoon, who are allowed to live there because I purchase machines and goods and services and what not should pay less, and I think the same thing would apply any place. This is true particularly in a new and developing area. In the Niagara peninsula where there is a lot of industry, and so on, you have another argument altogether, but unless there is something wrong with the operation of this particular item, I think that we have doing an exercise in semantics.

In effect, the people in the fringe areas are going to pay more than they can afford for power, and those in the cities or the larger centres will get it at a cheap rate. I think that if you could sort of average it out it would be much fairer to everyone.

The Chairman: Mr. Nielsen?

Mr. Neilsen: Mr. Chairman, might I be permitted just a moment here with respect to the observations made of Mr. Thomson, Mr. Kaplan and Mr. Smerchanski?

On page 256 of Issue Number 11 of the Committee's Proceedings you will see a number of communities listed, all in the Yukon. Apart from the community of Whitehorse and the supply to Carcross, Mayo and Dawson, every community in the Yukon is supplied with power generated by the investor-owned utilities and not by Northern Canada Power Commission.

I think it is important for Committee members to know that in looking at this letter to you, Mr. Chairman and Appendix A—I think it could be Appendix B; I cannot

[*Interpretation*]

M. Thomson (Battleford-Kindersley): Monsieur le président, j'ai délibérément passé sous silence cette partie de la question parce qu'il me semblait qu'il y en avait, d'autres, qui étaient plus au courant du problème que moi-même. Mais, sur ce dernier chapitre, il me semble qu'en ce qui concerne la mise en valeur de l'énergie dans le Nord, tout comme ailleurs, vous pouvez produire de l'énergie à meilleur compte si vous la produisiez uniquement pour Whitehorse, mais je comprends que des collectivités avoisinantes doivent obtenir cette énergie en payant beaucoup plus.

Moi-même je vis dans un village très isolé dans la Saskatchewan et je ne peux croire que l'entreprise privée puisse me fournir de l'énergie et en même temps faire des bénéfices. Je ne vois pas pourquoi ceux auxquels on a permis d'habiter Saskatoon car je connais la place parce que j'y achète des machines, des marchandises et autres, devraient payer moins cher, et à mon avis, le même raisonnement devrait s'appliquer n'importe où il y a énormément d'industries ailleurs. C'est ce qui arrive surtout dans un nouveau secteur qui se développe. Dans la péninsule du Niagara où l'on voit de nombreuses industries, la situation est tout à fait différente, mais à moins que quelque chose ne cloche dans cette question, je crois que tous nos efforts auraient été futiles.

A vrai dire, les gens des régions isolées devront payer plus qu'ils ne peuvent payer pour obtenir l'énergie tandis que ceux qui demeurent dans les villes paieront toujours un tarif moins élevé. Ce serait bien plus juste pour tout le monde si nous établissions un tarif moyen.

Le président: Monsieur Nielsen?

M. Nielsen: Permettez-moi, Monsieur le président, d'ajouter quelque chose aux déclarations faites par M. Thomson, M. Kaplan et M. Smerchanski. Vous remarquerez à la page 256 du fascicule 11 du Compte rendu du Comité une série de collectivités qui se trouvent tous dans le Yukon. Exception faite de la communauté de Whitehorse et de la fourniture d'énergie à Dawson, Carcross et Mayo, toutes les autres collectivités dans le Yukon, reçoivent l'énergie produite par les services de l'entreprise privée et non par la C.E.N.C., et je pense qu'il importe que les membres du Comité soient au courant de cela lorsqu'ils examineront la lettre qui vous a été adressée Monsieur le président, ainsi que l'appendice A ou B; M. MacDonald dit que c'est au tout

[*Texte*]

turn it up right now—Mr. MacDonald says that the responsibility for generating power in the North was assigned to Northern Canada Power Commission on its inception.

NCPC is a relatively modern concept compared with investor-owned utilities in the Yukon which were incorporated in 1901, at which time the Legislative Council there assigned the responsibility for generating power in that territory to that company, and it is because of the initiative of that company that all of these smaller communities of 30, 40 or 50 people are being supplied, as opposed to a government-owned utility which was set up for the specific purpose of supplying power to these communities and failed to fulfil that objective.

We have heard, Mr. MacDonald say today—and I do not mean any unfriendly criticism of him in this connection—as he has said in the past that NCPC was set up for the purpose of going in where private capital was either unwilling or unable to go to provide these facilities, but they did not fulfil that function in the Yukon.

Private enterprise stepped in and did fulfil it, and I think it is closer, Mr. McDonald, to $100 million rather than $60 million or $80 million when this kind of development takes place at Anvil, at New Imperial, at Arctic, at Venus, at Mount Manson and these other areas of mining development in the Yukon. When these developments are taking place, suddenly NCPC becomes interested, so you can see the squeeze there is.

My own observation is that all private enterprise wants to know is whether their money is welcome for the generation of this facility in the North, and if it is not they want to get out and put it somewhere else—but they want to know. It is as simple as that. Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Nielsen. If there are no further questions the meeting is adjourned until Tuesday morning at 11 a.m.

Mr. Nielsen: Mr. Chairman, may I just thank Mr. MacDonald and Mr. Humphrys, not only for the help that they have been to us, but for their tolerance of my sometimes rather pointed questioning.

Mr. MacDonald: It is good clean fun.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, way I ask Mr. MacDonald a question which I asked previously? Have you done any experimental work with the hovercraft?

[*Interprétation*]

début de la C.E.N.C. qu'a été confiée la tâche de produire l'énergie dans le Nord.

La C.E.N.C. est une organisation relativement moderne, comparée aux services de l'entreprise privée dans le Yukon qui ont été constitués en 1901 date à laquelle le Conseil législatif a chargé cette compagnie de produire de l'énergie pour ce territoire, et c'est grâce à l'initiative de cette compagnie que toutes ces petites collectivités de 30, 40 ou 50 personnes reçoivent de l'énergie contrairement aux services publics propriétés de l'État qui furent établis spécialement pour fournir l'énergie à ses collectivités et qui y ont échoué.

Nous avons entendu M. MacDonald dire aujourd'hui—sans aucune intention de le critiquer à ce sujet—ainsi qu'il l'a déclaré dans le passé que la C.E.N.C. avait été fondée dans le but de s'établir là où l'entreprise privée ne voulait pas ou ne pouvait pas fournir ces services, mais qu'elle n'avait pas rempli cette tâche dans le Yukon. L'entreprise privée s'est introduite et a effectivement révolu les services requis, Monsieur MacDonald, que c'est plus près de 100 millions de dollars lorsqu'il s'agit de travaux de ce genre à Anvil, New Imperial, Arctic, Venus, Mount Mason et ces autres secteurs d'exploitations minières dans le Yukon. Lorsque des situations de ce genre se présentent, la C.E.N.C. s'intéresse soudainement; ainsi vous pouvez vous imaginer la pression là-bas. D'après mes propres observations, tout ce que l'entreprise privée veut, c'est de savoir si leurs fonds sont bienvenus pour promouvoir ces services dans le Nord et sinon, ils veulent quitter et investir leurs capitaux ailleurs, mais de toute façon ils veulent savoir à quoi s'en tenir. C'est aussi simple que çà. Merci Monsieur le président.

Le président: S'il n'y a pas d'autres questions, la séance est ajournée jusqu'à mardi matin à 11 heures.

M. Nielsen: Monsieur le président, je veux remercier M. MacDonald et M. Humphrys, non seulement pour l'aide qu'ils nous ont fournie, mais aussi pour leur tolérance envers mes questions un peu agressives.

M. MacDonald: On a eu du plaisir.

M. Thomson (Battleford-Kindersley): Monsieur le président, puis-je poser à Monsieur MacDonald la même question que j'ai posée précédemment? Avez-vous entrepris des expériences avec les aéroglisseurs?

[*Text*]

• 2220

Mr. MacDonald: Yes, we have; we have supported the trials at Churchill. We have learned a lot of lessons. We have done this with other departments as well who are interested in the North. We feel it has certain utility, but it has not come across strong in its present configuration. We think the larger one that is coming along now may have more significance.

The meeting is adjourned.

[*Interpretation*]

M. MacDonald: Oui. Nous avons subventionné les essais à Saint-Jean et nous en avons tiré beaucoup de leçons et nous avons fourni les résultats de ces expériences à d'autres ministères intéressés dans le Nord. Il peut-être très utile, mais la conception actuelle ne nous a pas tellement impressionné. Nous croyons que le nouvel aéroglisseur dont les dimensions sont plus grandes nous intéressera bien plus.

La séance est levée.

APPENDIX "L"

Mr. Smerchanski:

(i) *Information as to what plants are owned by other Departments:*
Plants owned by NCPC in Northwest Territories:

Snare River—2 Hydro Stations	Supplies mines in Yellowknife area, and Rae and Yellowknife townsites
Fort Smith Distribution System	Supplied by NCPC Taltson Hydro
Fort Simpson	Diesel
Inuvik	Diesel and Steam
Frobisher Bay	"
Ft. McPherson	"
Ft. Resolution	"
Cambridge Bay	"
Coppermine	"
Taltson	Hydro—Supplies Ft. Smith and Pine Point townsites and Pine Point Mining area.

Pine Point townsite distribution system

Chesterfield Inlet	Diesel
Baker Lake	"
Norman Wells	Gas Turbine
Ft. Good Hope	Diesel (1969—previously Dept. of Transport).

Plants owned by other Departments:

Aklavik	Dept. land	Operated and maintained by NCPC	
Rae	"	"	—Supplied by Snare River Hydro Plant.
Ft. Liard	"	Maintained by NCPC	
Ft. Norman	"	"	
Jean Marie River	"	"	
Lac La Mantre	"	"	
Nahanni Butte	"	"	
Wrigley	"	"	
Arctic Bay	"	Bathurst Inlet	Dept. IAND
Broughton	"	Cape Perry	"
Cape Dorset	"	Fort Franklin	"
Clyde River	"	Gjoa Haven	"
Grise Liard	"	Holman Island	"
Hall Beach	"	Polly Bay	"
Igloolik	"	Reindeer Station	"
Lake Harbour	"	Sachs Harbour	"
Padloping	"	Spence Bay	"
Pengnertung	"	Tuktoyaktuk	"
Pond Inlet	"	Resolute	D.O.T.
Coral Harbour	"	Hay River	Northland Utilities
Eskimo Point	"	Providence	"
Rankin Inlet	"	Enterprise	"
Repulse Bay	"	Yellowknife	Plains Western Gas and Elec. Ltd. (supplied by NCPC Snare River Hydro).
Whale Cove	"		

Communities in Yukon:

Community	*Supplied by:*
Whitehorse	Yukon Electrical Co.—NCPC Hydro supply
Mayo	NCPC—Hydro
Dawson	NCPC—diesel
Keno City	Yukon Electrical —NCPC hydro supply
Watson Lake	" diesel
Beaver Creek	" "
Carmacks	" NCPC hydro supply 1969
Destruction Bay	" diesel
Haines Junction	" "
Carcross	" NCPC hydro supply
Stewart Crossing	" diesel
Ross River	" "
Teslin	" "
Upper Liard	" "
Old Crow	" "

APPENDICE «L»

M. Smerchanski

(i) *Renseignements sur les centrales appartenant à d'autres ministères*
Centrales de la C.E.N.C, situées dans les Territoires du Nord-Ouest

Rivière Snare—2 usines hydro-électriques	Alimentent des mines de la région de Yellowknife' ainsi que les lotissements urbains de Rae et de Yellowknife.
Réseau de distribution de Fort Smith	Alimenté par l'usine hydro-électrique de Talston, de la C.E.N.C.
Fort Simpson	Usine diesel
Inuvik	Usine diesel et à vapeur
Frobisher Bay	Usine diesel et à vapeur
Fort McPherson	" "
Fort Resolution	" "
Cambridge Bay	" "
Coppermine	" "
Taltson	Usine hydro-électrique qui alimente les lotissements urbains de Fort Smith et de Pine Point, ainsi que la région minière de Pine Point.
Réseau de distribution du lotissement urbain de Pine Point	
Chesterfield Inlet	Usine diesel
Baker Lake	"
Norman Wells	Usine par turbine à gaz
Fort Good Hope	Usine diesel (depuis cette année; appartenait auparavant au ministère des Transports).

Centrales appartenant à d'autres ministères:

Aklavik	Min. des A.I. et N.C.	Exploitée et maintenue par la C.E.N.C.
Rae	"	" "
		Alimentée par l'usine hydro-électrique de la rivière Snare.
Fort Liard	"	Maintenue par la C.E.N.C.
Fort Norman	"	" "
Rivière Jean-Marie	"	" "
Lac La Mantre	"	" "
Nahanni Butte	"	" "
Wrigley	"	" "
Arctic Bay	"	Bathurst Inlet — Min. des A.I. et N.C.
Broughton	"	Cape Perry — "
Cape Dorset	"	Fort Franklin — "
Rivière Clyde	"	Gjoa Haven — "
Grise Liard	"	Holman Island — "
Hall Beach	"	Pelly Bay — "
Igloolik	"	Reindeer Station — "
Lake Harbour	"	Sachs Harbour — "
Padloping	"	Spence Bay — "
Pangnertung	"	Tuktoyaktuk — "
Pond Inlet	"	Resolute — Min. des Transports
Coral Harbour	"	Hay River — Northland Utilities
Eskimo Point	"	Providence — "
Rankin Inlet	"	Enterprise — "
Repulse Bay	"	Yellowknife — Plains Western Gas and Elec. Ltd. (Alimentée par l'usine hydro-électrique de la rivière Snare, de la C.E.N.C.)

Agglomérations du Yukon:

Agglomération	*Fournisseur*
Whitehorse	Yukon Electrical Co.—Alimenté par l'usine hydro-électrique de la C.E.N.C.
Mayo	C.E.N.C.—usine hydro-électrique
Dawson	C.E.N.C.—usine diesel
Keno City	Yukon Electrical—Alimenté par l'usine hydro-électrique de la C.E.N.C.
Watson Lake	" usine diesel
Beaver Creek	" usine diesel
Carmacks	" Alimenté en 1969 par l'usine hydro-électrique de la C.E.N.C.
Destruction Bay	" usine diesel
Haines Junction	" usine diesel
Carcross	" Alimenté par l'usine hydro-électrique de la C.E.N.C.
Stewart Crossing	" usine diesel
Ross River	" usine diesel
Teslin	" usine diesel
Upper Liard	" "
Old Crow	" "

(ii) It is not practicable to provide a comparison of the cost of power produced by thermal (diesel) generation and hydro for every location in the North, because many of the small communities are remote from feasible hydro sites or are so small that hydro supply from any available hydro site, developed or projected, would not be economically practical. The following is offered to indicate the range of cost experience (1968) and to illustrate the effect of size and location, and the magnitude of the various cost factors that make up the total cost of power:

Location	Ft. Resolution	Ft. Simpson	Coppermine	Inuvik	Frobisher	Snare River
Type of Plant	Diesel	Diesel	Diesel	Diesel/Steam	Diesel	Hydro
Capital Cost	$190,000	$415,000	$314,000	$2,900,000	$2,300,000	$10,000,000
Installed Capacity	450 KW	1,300 KW	600 KW	4,460 KW	4,300 KW	15,000 KW
Firm Capacity	250 KW	700 KW	400 KW	3,460 KW	2,800 KW	8,000 KW
Peak Demand	205 KW	615 KW	150 KW	2,420 KW	1,740 KW	13,000 KW
Kwhrs Generated	722,000	2,535,000	775,000	11,070,000	10,141,000	63,902,000
Kwhrs Sold	660,000	2,175,000	725,000	9,435,000	9,095,000	58,215,000
Fuel Cost	22.7c/gal.	18.3c/gal.	52.4c/gal.	17c/gal.	18c/gal.	N/A
	Unit Cost—Cents per KWHr.					
Plant Staff Wages Benefits	6.0	3.8	6.9	1.75	2.6	.23
Fuel and Lubricants	1.9	1.5	4.8	1.12	1.6	N/A
Capital Charges	1.8	1.1	3.3	.96	1.76	.65
Maintenance	.6	.7	.5	.41	.27	.01
Miscellaneous	.4	.3	1.25	.24	.16	.03
	10.7	7.4	16.75	4.48	6.39	.92
Admin. and Overhead	.9	.5	1.1	.12	.36	.08
Total Cost	11.6	7.9	17.7	4.6	6.75	1.0*
Est. Distribution Cost*						1.0 — 1.5
						2.0 — 2.5

*NOTE. Snare River Hydro costs include transmission (90 miles) to Yellowknife but do not include local distribution costs. A range of 1.0 to 1.5c/kwhr has been added to represent distribution costs and thereby make the Snare River hydro example comparable with the other five examples, all of which include local retail distribution costs.

The above table illustrates that in the smaller operations wages and associated costs, and to a lesser extent fuel are the most significant cost items, and charges in respect to invested capital are of lesser significance. In the larger diesel operations wages, fuel and capital charges came more nearly into balance but wages remain predominant. The effect of volume is illustrated by the hydro example where the kilowatt hour volume is such that the unit cost is low despite the magnitude of the investment; however, if the output were to be reduced by 50%, hydro cost would be doubled and with the addition of retail distribution the difference between hydro and large scale diesel operations would be greatly reduced.

Fuel supply to NCPC plants in the Northwest Territories with the exception of Frobisher Bay, Baker Lake and Chesterfield Inlet, is from Norman Wells Oil Refinery via tanker barge.

Baker Lake and Chesterfield Inlet are supplied from Churchill, Manitoba, by tanker barge.

Frobisher Bay is supplied by ocean tanker from Aruba supply being arranged in conjunction with other fuel requirements for this area.

In most instances NCPC provides bulk storage as part of the plant facilities but in certain locations bulk storage facilities are provided by government departments or by private vendors.

In the Yukon, fuel is supplied to bulk storage in Whitehorse from California via ocean tankers to Skagway, thence pipeline to Whitehorse. From Whitehorse supply is via tanker truck—e.g. to Dawson City. A small quantity of fuel is supplied to the Whitehorse area by tanker truck.

Fuel costs are as follows:

Yukon:

Whitehorse –24.5c/gal. delivered to NCPC bulk storage at Plant.
Dawson City—33.1c/gal. delivered to bulk storage at NCPC auxiliary diesel plant.

(ii) Il n'est pas facile d'établir une comparaison à l'égard du coçt de production d'énergie par usine thermique (diesel) ou hydro-électrique, pour chaque localité du Nord, car bon nombre des petites agglomérations qui s'y trouvent sont éloignées des emplacements éventuels d'installations hydro-électriques, ou sont si petites qu'il serait trop onéreux de les approvisionner en énergie hydro-électrique à partir de tout emplacement susceptible d'aménagement à de telles fins. Le tableau ci-après donne la gamme des prix de revient (pour 1968); il montre aussi l'importance de l'ampleur et du lieu des installations, tout en illustrant l'ordre de grandeur des divers facteurs qui constituent le prix de revient global de l'énergie produite.

Lieu	Fort Resolution	Fort Simpson	Coppermine	Inuvik	Frobisher	Rivière Snare
Type d'usine	Diesel	Diesel	Diesel	Diesel et à vapeur	Diesel	Hydro-électrique
Frais d'établissement	$190,000	$415,000	$314,000	$2,900,000	$2,300,000	$10,000,000
Capacité installée	450 kW	1,300 kW	600 kW	4,460 kW	4,300 kW	15,000 kW
Capacité assurée	250 kW	700 kW	400 kW	3,460 kW	2,800 kW	8,000 kW
Consommation maximale	205 kW	615 kW	150 kW	2,420 kW	1,740 kW	13,000 kW
N. de kWh produits	722,000	2,535,000	775,000	11,070,000	10,141,000	63,902,000
N. de kWh vendus	660,000	2,175,000	725,000	9,435,000	9,095,000	58,215,000
Coût du combustible	22.7c-gal.	18.3c-gal.	52.4c.gal.	17c.gal.	18c.gal.	Sans objet
	Coût unitaire en cents par kWh					
Prestations à l'égard des salaires du personnel des usines	6.0	3.8	6.9	1.75	2.6	23c.
Combustibles et lubrifiants	1.9	1.5	4.8	1.12	1.6	Sans objet
Frais d'établissement	1.8	1.1	3.3	.96	1.76	.65
Entretien	.6	.7	.5	.41	.27	.01
Divers	.4	.3	1.25	.24	.16	.03
	10.7	7.4	16.75	4.48	6.39	.92
Administration et frais généraux	.9	.5	1.1	.12	.36	.08
Coût global	11.6	7.9	17.7	4.6	6.75	1.0*
Coût estimatif de distributions*						1.0 — 1.5
						2.0 — 2.5

*REMARQUE—Les frais de l'usine hydro-électrique de la rivière Snare comprennent les frais relatifs à la transmission d'énergie à Yellowknife (distance de 90 milles), mais excluent les frais locaux de distribution. Un montant, établi à un taux variant de 1.0 à 1.5c.-kWh, a été ajouté pour ces frais de distribution, ce qui permet de faire une juste comparaison entre les frais relatifs à l'usine en question et ceux des cinq autres usines citées, qui comprennent tous les frais de distribution aux usagers.

Le tableau ci-dessus montre que, pour les petites exploitations, les salaires et les frais connexes et, dans une moindre mesure, le combustible, sont les principaux postes de dépenses et que les frais d'établissement sont de moindre importance. Dans les exploitations plus importantes, les salaires, le combustible et les frais d'établissement s'équilibrent davantage, mais les salaires l'emportent encore. Le cas de l'usine hydro-électrique montre l'importance de l'ampleur des installations, car le nombre de kilowatts-heure produits est tel que leur prix de revient unitaire est faible, malgré l'importance de l'immobilisation effectuée; toutefois, si la production de l'usine devait être réduite de 50 p. 100, son prix de revient doublerait, de sorte qu'en lui ajoutant le montant des frais de distribution aux usagers, la différence entre les frais de cette usine et ceux des grandes exploitations diesel serait grandement réduite.

L'approvisionnement en combustible des usines de la C.E.N.C., situées dans les Territoires du Nord-Ouest, à l'exception de celles de Frosbisher Bay, de Baker Lake et de Chesterfield Inlet, se fait depuis la raffinerie d'huile de Norman Wells, au moyen de chalands-citernes.

Les localités de Baker Lake et de Chesterfield Inlet sont approvisionnées depuis Churchill (Manitoba), de la même façon.

Quant à l'établissement de Frosbisher Bay, il est approvisionné par pétroliers long-courrier, depuis le centre d'approvisionnement d'Aruba, dans le cadre d'arrangements conclus avec ce centre à l'égard d'autres besoins en combustible de la région où il se trouve.

La plupart du temps, la C.E.N.C. assure, avec ses usines, les installations d'entreposage en vrac; toutefois, en certains endroits, ce sont des ministères fédéraux ou des fournisseurs privés qui assurent de telles installations.

Le combustible du Yukon est transporté par pétroliers long-courrier de Californie à la localité de Skagway, puis, il est amené par pipe-line aux instalations d'entreposage en vrac de Whitehorse. De cette ville, il est distribué par camions-citernes, notamment à Dawson. Une faible quantité de combustible est distribuée de la même façon dans la région de Whitehorse.

Le prix de revient des combustibles s'établit comme il suit:

Yukon:

Whitehorse—24.25c.-gal., livré aux installations d'entreposage en vrac de l'usine de la C.E.N.C.
Dawson—33.1c.-gal., livré aux installations d'entreposage en vrac de l'usine diesel de secours de la C.E.N.C.

Northwest Territories:

The following plants are supplied from Norman Wells:

	F.O.B. N.W.	Frt.	NWT Tax	Total
Inuvik:				
Bunker	6.0	7.2	3.0	16.2c/gal.
Heavy X	9.6	6.9	3.0	19.5
Light Diesel	18.1	6.5	3.0	24.6
Aklavik:				
Med. Marine	12.9	6.4	3.0	22.3
Ft. McPherson:				
Heavy X	9.6	6.0	3.0	18.6
Light Diesel	18.1	5.65	3.0	26.8
Ft. Simpson:				
Bunker	6.0	5.6	3.0	11.6
Heavy X	9.6	5.4	3.0	15.0
Light Diesel	18.1	5.2	3.0	26.3
Ft. Resolution:				
Heavy X	9.6	10.0	3.0	22.6
Coppermine:				
Light Diesel	18.1	27.6	3.0	48.9
Cambridge Bay:				
Light Diesel from Vendor		62c	3.0	65.0
Heavy X, from Norman Wells	9.6	33.5	3.0	46.1
Baker Lake and Chesterfield Inlet:				
	14.7 (F.O.B. Churchill)	5.3	3.0	23.0
Frobisher Bay	14.5 (F.O.B. Frobisher Bay)		3.0	17.5

NOTE: All fuels referenced above, except light diesel, require heating and cannot be handled readily in cold weather, consequently it is not practicable to use the heavier (temperature sensitive) fuels in smaller plants due to the problems and expense involved in handling comparatively small quantities of such fuels. Bunker fuel from Norman Wells is suitable only for use in heavy slow speed diesel engines as steam boiler fuel and requires preheating for proper combustion.

Coppermine Subsidy:

Operations for 1967–68 encompassed only five months, December 1967 to March 1968 inclusive. During this period revenue from sales at 12c/kwhr totalled $39,389 versus expense of $52,643; the shortfall or deficit for this period was thus $13,254 which was billed to the Department of Indian Affairs and Northern Development, as per agreement. For the full twelve month period of 1968–69 the deficit is estimated at $29,000.

Territoires du Nord-Ouest

Les usines énumérées ci-après sont approvisionnées depuis la localité de Norman Wells:

	F.O.B. pour les T.N.-O.	Transport	Impôt territ.	Total
Inuvik				
Soutes	6.0	7.2	3.0	16.2c.–gal.
Combustible lourd X	9.6	6.9	3.0	19.5
Combustible léger pour diesel	18.1	6.5	3.0	24.6
Aklavik				
Huile marine semi-fluide	12.9	6.4	3.0	22.3
Fort McPherson				
Combustible lourd X	9.6	6.0	3.0	18.6
Combustible léger pour diesel	18.1	5.65	3.0	26.8
Fort Simpson				
Soutes	6.0	5.6	3.0	11.6
Combustible lourd X	9.6	5.4	3.0	15.0
Combustible léger pour diesel	18.1	5.2	3.0	26.3
Fort Resolution				
Combustible lourd X	9.6	10.0	3.0	22.6
Coppermine				
Combustible léger pour diesel	18.1	27.6	3.0	48.9
Cambridge Bay				
Combustible léger pour diesel, provenant d'un fournisseur	62c.		3.0	65.0
Combustible lourd X, provenant de Norman Wells	9.6	33.5	3.0	46.1
Baker Lake et Chesterfield Inlet				
	14.7 (F.O.B., à Churchill)	5.3	3.0	23.0
Frobisher Bay	14.5 (F.O.B., à Frobisher Bay)	.....	3.0	17.5

REMARQUE: Tous les combustibles dont il est question ci-dessus, à l'exception des combustibles légers pour diesel, ont besion d'être chauffés et sont d'emploi difficile par temps froid. Aussi, il n'est pas pratique d'utiliser des combustibles lourds, à cause de leur sensibilité à la température et, partant, des dépenses et problèmes nombreux qu'ils occassionnent. Les soutes de Norman Wells, qui ne peuvent servir que pour les lourds moteurs diesel à régime lent comme alimentation des chaudières à vapeur, doivent être chauffées d'avance pour donner une bonne combustion.

Subvention à la localité de Coppermine

L'exploitation de 1967–1968 n'a porté que sur cinq mois, soit de décembre 1967 à mars 1968 inclusivement. Au cours de cette période, les revenus provenant des ventes, au tarif de 12c.kWh, se sont élevés à $39,389, les dépenses ayant atteint $52,643. Le déficit de $13,254 a été comblé par le ministère des Affaires indiennes et du Nord canadien, par suite d'un accord à cet effet. Pour les douze mois de l'année 1968–1969, le déficit est estimé à $29,000.

Government
Publications
14

OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL
CHAMBRE DES COMMUNES

Première session de la
vingt-huitième législature, 1968-1969

STANDING COMMITTEE
ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT
DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS
AND EVIDENCE

PROCÈS-VERBAUX ET
TÉMOIGNAGES

LIBRARY
APR 28 1969
UNIVERSITY OF TORONTO

No. 14

TUESDAY, MARCH 18, 1969

LE MARDI 18 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29976—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*
Vice-Chairman Mr. Paul St-Pierre *Vice-Président*

and Messrs.

et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—20.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

MINUTES OF PROCEEDINGS

(*Text*)

TUESDAY, March 18, 1969.
(15)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Ian Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), and Watson (16).

Witnesses: Dr. D. W. Carr of D. Wm. Carr and Associates Ltd.; Professor F. W. Anderson, Chairman of the Department of Economics, University of Saskatchewan, Regina.

The Committee continued consideration of Item L85—Advances to the Northern Canada Power Commission—of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 which had been called so as to allow the Committee to consider the question of Electric Power in the North as agreed by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses and after each had made a statement, they were questioned. On the completion of the questioning, the Chairman and members of the Committee thanked the witnesses.

At 1:00 p.m., on motion of Mr. Cullen, it was

Agreed,—That the Committee adjourn to Thursday, March 20, 1969.

PROCÈS-VERBAL

(*Traduction*)

Le MARDI 18 mars 1969.
(15)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Ian Watson.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Watson—(16).

Témoins: M. D. W. Carr, de la *D. Wm. Carr and Associates Ltd.*, et le professeur F. W. Anderson, chef du département d'économie, Université de la Saskatchewan, Regina.

Le Comité poursuit l'examen du crédit L85—Avances à la Commission d'énergie du Nord canadien—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970, crédit qui avait été mis en délibération afin de permettre au Comité d'étudier la question de l'énergie électrique dans le Nord, comme le Comité a convenu le lundi 10 mars 1969.

Le président présente les témoins, qui, après avoir fait chacun une déclaration, le président et les membres du Comité remercient les témoins.

A 1 h. de l'après-midi, sur la proposition de M. Cullen,

Il est convenu—Que le Comité s'ajourne jusqu'au jeudi 20 mars 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

29976—1½

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday 18 March 1969

• 1110

[*Texte*]

The Chairman: We are pleased to have with us today Dr. D. W. Carr, who is the author of the Carr Report on the Yukon. There are copies of the report at the back of the room if any of you wish them. We are also pleased to have with us today Professor Fred Anderson who is a member of the staff of the Carr Commission and who is also prepared to give us some testimony.

Without any further introduction I will ask Dr. Carr to perhaps summarize. Dr. Carr, as you were with the Committee at the last meeting you know the areas that we were touching on, so perhaps you could concentrate on those areas.

Dr. D. W. Carr (Dr. D. William Carr and Associates): Thank you, Mr. Chairman. I want to say, first of all, that we are pleased to meet with you here and we will be honoured if we can assist you in any way, Mr. Chairman. We presume, Professor Anderson and myself, that we have been invited to come before this Committee in connection with our studies of the Yukon, primarily, with particular attention to power.

I might say that Professor Anderson and I were joint authors of the main report and he has assisted in a great many ways. Professor Anderson is Chairman of the Department of Economics and Associate Dean of Arts at the University of Saskatchewan in Regina. While he was on sabbatical leave last year he acted as a special consultant with us on this study. He was also Director of Research, you may recall, for the MacPherson Royal Commission on Transportation. Transportation, power and related services have been a special field of study for Professor Anderson.

Perhaps it would be most helpful to you if we provided a little perspective on the background of the Yukon study for the discussion of this aspect. The Yukon economic studies were sponsored jointly by the Department of Indian Affairs and Northern Development and the Government of the Yukon Territory. There were 14 background studies prepared in addition to the final report which, I believe, already has been distributed to members and of which there are copies avail-

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 18 mars 1969

[*Interprétation*]

Le président: Nous avons l'honneur aujourd'hui d'avoir le docteur D. W. Carr, qui est l'auteur du Rapport Carr sur le Yukon. Il y a des exemplaires de ce rapport à l'arrière, si vous voulez en avoir. Nous avons aussi l'honneur d'avoir comme témoin le professeur Fred. Anderson qui est membre du personnel de la Commission Carr et qui est aussi prêt à témoigner ce matin.

Je n'ai pas d'autres présentations à vous faire. Je demanderais au docteur Carr de bien résumer. Vous étiez avec le comité la dernière fois. Peut-être que vous pourriez reprendre le sujet où nous l'avons laissé et vous en tenir à cela.

M. D. W. Carr (Dr. D. William Carr and Associates): Merci beaucoup, monsieur le président. J'aimerais dire d'abord que nous sommes heureux d'être ici ce matin. Nous espérons vous être utiles de quelque façon, monsieur le président. Nous supposons, le professeur Anderson et moi-même, que nous avon été invités au sujet de nos études sur le Yukon, surtout au sujet de l'énergie électrique.

Je dois ajouter que le professeur Anderson et moi-même avons contribué au rapport principal, et lui-même m'a beaucoup aidé. Il est directeur du Département de l'économique et vice-doyen de la Faculté des Arts à l'université de la Saskatchewan, à Régina. Lorsqu'il était en congé d'étude, l'année dernière, il a été conseiller spécial au sein de notre Commission d'enquête. Il a aussi été directeur de la recherche avec la Commission royale d'enquête MacPherson sur les Transports. Les études du professeur Anderson portent surtout sur les transports, l'énergie et les services connexes.

Peut-être serait-il utile que nous vous donnions un aperçu de l'historique de l'étude sur le Yukon, avant de passer à la discussion qui nous intéresse. Cette étude économique était sous les auspices conjointes du ministère des Affaires indiennes et du Nord canadien et du gouvernement du Yukon. On a préparé 14 études de références en plus du rapport définitif, qui a déjà été distribué, je crois, aux députés et dont il y a des exemplaires ici. Le premier volume constitue un résumé du

[*Text*]

able. Volume I is the summary report and the report that was prepared, particularly, for distribution.

In these studies of the Yukon our concern was primarily with economic development and with the public and private investment necessary to promote sound economic development. The Yukon is presently at a rather unique stage for economic development and I just might point out a few of these facets or considerations in this stage of development.

• 1115

First of all, the Yukon economy has been brought to a new plateau in economic potential by initial public expenditures for roads and other improvements including power.

Secondly, new mineral technologies as well as the discovery of new ore bodies in the Yukon combined to offer a new development potential. I might say that one of the new mineral technologies was the flotation process which enabled minerals to be concentrated by a flotation process when the percentage of minerals was still quite low.

Thirdly, effective economic development of the Yukon would have to recognize that in the Northern territories there are now two economic regions with boundaries that are not closely related to the present political boundaries. I might just suggest on the map here what these boundaries are. The economic boundary might be roughly at the 110th meridian here and comprehend the Yukon and this part of the Mackenzie District. This is the area where almost 90 per cent—I believe it is 85 per cent—of the population lives and almost all of the mineral resources and such are in this region. For this purpose our consideration was of the Yukon as a part of this region which comprehended Northern Alberta and British Columbia, Eastern Alaska and the Western part of the Mackenzie District.

You can see that this does not necessarily follow the political boundaries. As you may know, the boundary between the Yukon and the Northwest Territories was drawn in 1896 at a time when they wanted to establish quite immediately an administrative unit to take care of the developing Klondike goldrush. The Klondike goldrush did not start until 1897, but the indications were in 1896 that the mineral development would require such a boundary, so it follows the height of land

[*Interpretation*]

rapport et a été préparé exprès pour des fins de diffusion.

Dans cette étude portant sur le Yukon, nous nous sommes intéressés surtout à l'expansion économique et à l'investissement public et privé nécessaire pour promouvoir l'expansion économique de ce secteur. Le Yukon, à l'heure actuelle, est à un stade unique d'expansion économique, et je devrais signaler quelques-uns des aspects du stade actuel de développement.

En premier lieu, le Yukon a atteint un nouveau plateau de potentiel économique grâce aux dépenses du secteur public dans le domaine de la voierie, et en vue d'autres améliorations, y compris le domaine de l'énergie.

Deuxièmement, de nouvelles techniques d'extraction ont été mises au point, et on a découvert de nouveaux gisements au Yukon. Tout cela constitue un nouveau potentiel économique pour ce secteur. Je devrais dire que l'une des nouvelles découvertes technologiques a été le procédé de flottation. Cette méthode nous a permis de concentrer le minerai, dans les cas où le pourcentage de minerai était déjà très bas.

Pour réaliser une expansion économique au Yukon, on doit reconnaître que dans les territoires du nord, il y a deux régions économiques dont les frontières ne sont pas reliées très étroitement aux frontières politiques. Par exemple, sur la carte, je puis indiquer ces frontières... La frontière économique se trouverait ici, grosso modo, et comprendrait le Yukon et cette partie du district de MacKenzie. Voilà la région où presque 85 ou 90 p. 100 de la population se trouve concentrée, et la plupart des ressources minérales et autres se trouvent dans ce secteur. Pour cette fin, notre étude portait sur le Yukon en tant que partie de ce secteur, comprenant le Nord de l'Alberta et la Colombie-Britannique, l'est de l'Alaska et la partie occidentale du district de MacKenzie.

On constatera que cela ne correspond pas nécessairement aux frontières politiques. La frontière entre le Yukon et les territoires du Nord-Ouest a été établie en 1896 alors qu'on voulait établir immédiatement une unité administrative pour s'occuper de la ruée naissante vers l'or du Klondyke. Cette ruée n'a commencé qu'en 1897, mais on a établi que la découverte de minerai en 1896, nécessiterait une telle frontière qui suit les hautes terres entre les deux bassins, celui du MacKenzie et

[*Texte*]

between the two river basins of the Mackenzie and the Yukon and has little relation to economic considerations.

The fourth point on this is that effective economic development of the Yukon potential would be enhanced by a systematic and co-ordinated development approach. For many years we have been faced with an ad hoc approach—a special case—when something was needed it was considered on its separate merits.

However, the Yukon is now at a stage where perhaps the only effective kind of development must be a co-ordinated approach of a great many services and developed with progressive planning that will ensure they will be available when required.

The fifth point is that the potential for economic development in the Yukon is quite substantial. We have estimated it will rise from about $40 million to $50 million in gross output in 1967 to perhaps $470 million by 1985. This would involve a gross total increase over these 18 years of about $3.8 billion. Perhaps this is a sufficient increase to warrant a fairly substantial public and private investment in its development. That is a very substantial potential and it will require very large investment to bring it about. Our estimate was that it would require $8 to $9 million of public investment and $4 million to $5 million of private investment.

• 1120

At the same time, and this is the last point in this group of points respecting development in the Yukon, investment in these services, public or private, will not ensure a continuity of economic development in the Yukon, primarily because in this economy they are so dependent on minerals and other nonrenewable resources for their economic development.

This applies in the whole northwest region of Canada. As a consequence the potential stability and continuity of these economies and this region must always be in doubt. This is a very important consideration in terms of public versus private investment. That gives some of the special features about or considerations in regard to Yukon economic development.

There are many others that might be mentioned, but we will not go into that much detail here.

In addition to these economic considerations there is, however, an important political factor to be considered; that is, if Canada is to maintain effective sovereignty in the North

[*Interprétation*]

du Yukon, et qui n'a aucun rapport avec les facteurs d'ordre économique.

Quatrièmement, l'expansion économique efficace du potentiel du Yukon sera facilitée par une approche systématique et coordonnée. Depuis des années, nous avons dû utiliser une méthode spéciale. Lorsqu'il y a un besoin spécial à satisfaire, chaque cas est étudié en particulier.

Le Yukon est maintenant rendu à un stade où la seule expansion efficace doit être faite au moyen de services nombreux et coordonnés et réalisée grâce à une planification progressive qui en assurera la disponibilité lorsque nécessaire.

Cinquièmement, le potentiel économique du Yukon est très grand. Nous avons estimé qu'il grimpera de 40 ou 50 millions de production en 1967 à peut-être 425 millions vers les 1985, ce qui voudrait dire, en 18 ans, une augmentation de 3.8 billions de dollars. C'est une hausse qui justifie un gros investissement de la part des secteurs publics et privés. Voilà un potentiel très appréciable dont l'exploitation exigera un fort investissement. Nous avons estimé qu'il faudra 8 ou 9 millions d'investissements du secteur public et 4 ou 5 du secteur privé.

En même temps, et c'est la dernière question que je veux soulever à propos du développement du Yukon, l'investissement public ou privé dans ces services n'assureront pas la continuité de l'expansion économique du Yukon, surtout parce que, dans cette économie, tout dépend des minerais et autres ressources non renouvelables, pour son expansion économique.

Cela s'applique à toute la région nord-ouest du Canada. Par conséquent, la stabilité potentielle et la continuité de ces économies et de cette région doit toujours rester plus ou moins douteuse. Voilà un facteur très important pour ce qui est de l'investissement tant public que privé. Voilà les points saillants des facteurs relatifs à l'expansion économique du Yukon.

Il y en a bien d'autres, sûrement, qu'on pourrait mentionner, mais nous n'entrerons pas dans les détails aujourd'hui.

A part ces éléments économiques, il y a aussi un important facteur politique qu'on doit prendre en considération, c'est-à-dire si le Canada doit conserver une véritable souve-

[*Text*]

it will be necessary to expand permanent transportation, power, administrative and other services in the North. This, I think, has been emphatically brought home to us in recent weeks by the plan of the *S.S. Manhattan* voyage into the Arctic project and by persistent support by the U.S. financed Arctic Institute for development in the North.

Thus, Canada is going to be forced to strengthen her public services, including power services in the North, if she wishes to maintain her authority there. This extension of services applies to the Yukon, especially to the northern Yukon. I am speaking of the special services required for sovereignty, for maintaining authority. It applies in particular to the northern Yukon and to most of the Northwest Territories.

With this background, let me point out several features of the Yukon studies. They were concerned first of all with economic development and the most effective way of getting that economic development including both private and public investment. We have dealt with power in three separate places. First of all, we had a background study prepared by CBA Engineering Ltd., of Vancouver as a background for our approach. This was primarily a descriptive study of the present situation.

Second, in the report are two chapters. Chapter 8 where we dealt with the alternatives choices in terms of types of power: thermo power, hydro power, nuclear power and so on. Chapter 8 includes the recommendations for improving and developing the power resources and the power services in the Yukon.

The second chapter is Chapter 15. I might say that in Chapter 15 Professor Anderson dealt with the economic and public issues concerned with providing these basic services of power and transportation. I might also say that I wrote most of Chapter 8, and Professor Anderson wrote Chapter 15 but I think we would stand together behind both chapters.

• 1125

In these studies we were not concerned with advocating private power or public power and we are not concerned with it here. It may be obvious from the report that we are protagonists of neither private nor public power; neither Northern Canada Power Commission nor Yukon Electrical Company, but rather we are protagonists of the services necessary for economic development. If these

[*Interpretation*]

raineté dans le Grand Nord, il est nécessaire qu'il donne de l'expansion à ses services de transport, d'administration, d'électricité, etc. dans le Grand Nord. Voilà justement ce que l'on a souligné, ces dernières semaines, après le voyage du S.S. *Manhattan* dans l'Arctique, et l'appui constant de l'*Arctic Institute*, des États-Unis, pour le développement du Grand Nord.

Le Canada sera donc obligé de renforcer ses services publics, y compris ses services d'électricité dans le Grand Nord, s'il veut maintenir son autorité dans ce secteur. Cette extension des services s'applique au Yukon, surtout dans la partie nord. Je parle des services spéciaux requis pour le maintien de la souveraineté, de l'autorité. Cela s'applique en particulier à la partie nord du Yukon, et à la plupart des Territoires du Nord-Ouest.

Avec ces renseignements, permettez-moi de souligner quelques aspects saillants de notre étude du Yukon. Elle porte avant tout sur l'expansion économique et le meilleur moyen de la promouvoir, notamment les investissements publics et privés. Nous avons traité de l'électricité à trois différents endroits. Premièrement, nous avons fait effectuer une étude préliminaire par la CBA Engineering Ltd., de Vancouver, étude qui nous a servi de documentation. Il s'agissait surtout d'une étude descriptive de la situation actuelle.

Deuxièmement, le rapport compte deux chapitres. Il y a le chapitre 8 où nous avons parlé des options quant au genre de service d'électricité: énergie hydraulique, énergie thermique, énergie nucléaire, etc. Ce chapitre 8 comporte des recommandations pour l'amélioration et la mise en valeur des ressources hydrauliques et des services d'électricité au Yukon.

Le deuxième chapitre est le chapitre 15. Je dois dire que dans le chapitre 15, le professeur Anderson a parlé de l'aspect économique de la fourniture des services fondamentaux, c'est-à-dire l'électricité et les transports. Je devrais aussi ajouter que j'ai écrit la majorité du chapitre 8, et que le professeur Anderson a écrit le chapitre 15. Mais je crois que, tous deux, nous appuyons ces deux chapitres.

Dans ces études, ce qui nous intéressait ce n'était pas de préconiser le pouvoir public ou privé, ce n'est pas notre objet. Il ressort de notre rapport que nous ne préconisons ni l'un, ni l'autre, ni la Commission d'énergie du Nord canadien, ni la Yukon Electrical Company. Nous préconisons surtout les services nécessaires à l'expansion économique. Si ces services exigent beaucoup de participation

[*Texte*]

services require much public participation it is because of the particular nature of the development problems in the Yukon and the North.

We are concerned with taking into account all the facets of Yukon economic development and appraising them in terms of the economic advantage to both the people of the Yukon and the people of Canada as a whole. If Canada as a whole has financed much of the investment in the North then Canada as a whole should be given some consideration in the benefits.

It is important also to recognize that electrical power alone is not the answer for economic development in the Yukon. Power is only one part of a whole range of services necessary for economic development and most of these services, roads, airfields, communications and such, must be provided by public funds.

Finally, we should be thinking of power being supplied at a cost of perhaps 6 to 10 mills rather than at a cost of 6 to 10 cents a kilowatt. Yet to provide power at these lower costs requires very large capital investments, although the Yukon will soon be ready for such a power supply. Such investments also require much co-ordinated development planning and for this we have recommended a special planning authority in our recommendations in volume one.

I would like to thank you for your attention. Professor Anderson has a few points to make on the approach to the supply of power and we will be most happy to answer any questions that you may have on the subject. Thank you.

The Chairman: Thank you very much Dr. Carr. Gentlemen, with your permission we will proceed now with the testimony from Professor Anderson and then we will ask questions.

Professor F. W. Anderson (University of Saskatchewan): Thank you, Mr. Chairman. What I have to say is in many respects generally applicable on the basis of economic principles, but it is particularly concerned with the studies that we did with the Yukon territory. I would not pretend that what we had to say about the Yukon and its need for power, transportation and other services can be universally applicable over the whole wide range of the Northwest Territories where the political considerations of sovereignty as well as economic development may indeed, and I think will, call for policies quite different from those which are in my opinion now applicable in the Yukon.

[*Interprétation*]

publique, c'est surtout à cause du caractère particulier des problèmes de développement du Yukon et du Grand Nord.

Ce qui nous intéresse, c'est de tenir compte de tous les aspects de l'expansion économique du Yukon et de les évaluer en fonction des avantages économiques pour les habitants du Yukon et tous les Canadiens. Si le Canada a fait une grande partie des investissements dans le Grand Nord, on doit alors en tenir compte quant aux avantages qui en résulteront.

Il importe aussi de reconnaître que l'énergie électrique seule ne peut contribuer au développement économique du Yukon. Elle n'est qu'un élément des services nécessaires à l'expansion économique, dont la plupart, c'est-à-dire les routes, les aéroports, les communications, doivent être fournis grâce à des fonds publics.

Enfin, il faudrait que l'électricité soit fournie à un coût de peut-être 6 à 10 millièmes, plutôt qu'à un coût de 6 à 10 cents le kilowatt. Mais pour fournir l'électricité à un prix aussi modique, il faut un investissement de capital très élevé, quoique le Yukon sera bientôt prêt à recevoir un tel service. Il faudra aussi une planification coordonnée du développement et pour cela, nous avons recommandé, dans le volume un, un pouvoir spécial de planification.

Je vous remercie de votre attention. Je sais que le professeur Anderson a aussi certaines observations à faire au sujet du problème de la fourniture d'électricité, et tous deux, nous serons très heureux de répondre à toutes vos questions à ce sujet. Je vous remercie.

Le président: Merci beaucoup, docteur Carr. Avec votre permission, messieurs, nous allons maintenant écouter le témoignage du professeur Anderson, et passer ensuite aux questions.

Le professeur F. W. Anderson (Université de la Saskatchewan): Merci, monsieur le président. Ce que j'ai à vous dire s'applique, à bien des égards, en vertu de principes économiques, mais a trait plus particulièrement aux études que nous avons faites dans le territoire du Yukon. Je ne prétends pas que ce que nous avons à dire à l'égard du Yukon, soit ses besoins en matière d'énergie, de transport et autres services, peut s'appliquer à l'ensemble des Territoires du Nord-Ouest, où les considérations d'ordre politique sur la souveraineté, de même que le développement économique, peuvent exiger, et exigeront en fait, des lignes de conduite bien différentes de celles qui, à mon avis, peuvent actuellement s'appliquer au Yukon.

[*Text*]

It would seem to me, to emphasize a little point made by Dr. Carr, that the eastern Arctic and the high Arctic will for some time be an administrative and political concern of Canada. When economic development does occur there, when minerals are discovered, when oil is discovered, whatever the resource base should be, I submit that the developmental direction will be quite different from that which will occur—whether we do anything about planning or not—in the Yukon.

[*Interpretation*]

Il me semble que, pour reprendre un point soulevé par le Dr Carr, l'Arctique de l'Est et les régions circumpolaires, pendant un certain temps, seront une préoccupation d'ordre administratif et politique pour le Canada. Lorsque le développement économique se produira, lorsque nous découvrirons des minéraux, ou du pétrole, quelles que soient les autres ressources qui s'y trouveront, l'orientation du développement sera bien différente de celle qui se produira alors, que l'on fasse quelque chose, ou non, quant à la planification, au Yukon.

• 1130

The Yukon in my considered opinion now is not really Canada's North. The Yukon is much more logically an extension of the moving frontier of development in northern Alberta and northern British Columbia.

Donc, le Yukon, à mon avis, n'est pas vraiment le Nord du Canada. Le Yukon est beaucoup plus l'extension de la frontière variable du développement du Nord de l'Alberta et de la Colombie-Britannique.

It is ready to be brought within the orbit of development we have seen and experienced in many parts of our northern frontier in the last 20 years, and it is ready now to become much more closely integrated into the mainstream of Canadian economic growth.

Elle doit être mise dans l'ensemble du développement que nous avons vu et expérimenté dans plusieurs parties de la frontière du Nord au cours des vingt dernières années, et on peut maintenant l'intégrer beaucoup plus étroitement aux grands courants de la croissance économique du Canada.

I reiterate that the eastern and high Arctic are quite different. These studies undertaken under certain limitations of time and budget dealt particularly with extant reports and knowledge as well as some supplementary studies which were undertaken as Dr. Carr has outlined. The projections which we have used are based on the presence, particularly, of power and transport, but in addition to those two services the existence of the whole multifaceted set of institutions and services we lump under the term infrastructure. We, in more developed parts of Canada, benefit from an infrastructure which is so pervasive and so diverse that we are often guilty of forgetting the contribution of the infrastructure to economic development. The projections that we have made are based upon the existence of at least the basic kinds of infrastructure necessary for the primary industries, the secondary and tertiary service industries that we have come to associate with maturing economic development.

Je répète donc que l'Est de l'Arctique et les régions circumpolaires sont bien différents. Les études faites dans ces limites de temps et les limites budgétaires traitent plus particulièrement de rapports et de connaissances existants ainsi que d'autres études que le docteur Carr a résumé. Les extrapolations que nous avons utilisées sont fondées sur la présence, en particulier, de l'énergie et du transport, mais en plus de ces deux services, de l'existence même de tout cet ensemble de services et d'institutions que nous groupons sous infrastructure. Dans les régions plus développées du Canada, nous avons une infrastructure tellement étendue et diversifiée, que bien souvent nous oublions l'apport de cette infrastructure au développement économique. Les extrapolations que nous avons sont fondées sur l'existence de ces infrastructures essentielles aux industries primaires, et les industries secondaires et tertiaires de service, que nous rattachons habituellement à un développement économique en pleine maturité.

Within this infrastructure power is a necessary condition, but to echo Dr. Carr again, it is not a sufficient condition for development. The existence of power at competitive rates in the Yukon or in any other part of the country in itself is not sufficient to ensure development. I want to say, particularly in this Committee because of your wider interests in northern development, that power is considered as just one part and an important

Au sein même de cette infrastructure, l'énergie est un élément essentiel, mais pour me faire le porte-parole du docteur Carr une fois de plus, ce n'est pas une condition suffisante pour assurer le développement. Le fait d'avoir de l'énergie à un tarif concurrentiel au Yukon ou dans n'importe quel autre région du pays, n'est pas, en soi, suffisant pour assurer ce développement. Je veux dire, plus particulièrement à ce Comité, vu l'intérêt que vous

[*Texte*]

part of this infrastructure development needed for growth.

In creating an infrastructure a society will provide privately or publicly certain kinds of services which will never have any direct return. We ordinarily think of providing these services—schools, hospitals, drains, civic administration and amenities of all kinds—on humanitarian grounds and this is valid, but there is also an economic rationale for the provision of such services; that without these services development by capital working with people does not take place or takes place under very difficult situations.

Those of you who have experience in the North have seen the kinds of difficulties which attend the thinness of the service infrastructure, so my first point, then, is there are many aspects of the infrastructure which do not yield any direct return, but to the extent that they enhance opportunities for development, for the gaining of income, quite apart from the humanitarian reasons, they do yield returns to the economy.

• 1135

There are some parts of the infrastructure which can be made to yield a partially direct return. For example, certain services may have a charge associated with them and in the bookkeeping sense the charge associated with the service yields some kind of direct return to whoever provides the services, public, private or whoever it is, but even though there is a partially direct return, the indirect returns throughout the society that we are talking about are still present so that the society, the culture, the economy, if you like, does gain benefits which may be greater than the direct return which can be charged for the service.

It is the submission of our report that in a developing area transportation and power fall within this category; that there are benefits to the economy from the provision of power at competitive rates—the competitive rate compared to some other developmental areas, say, in Canada, not necessarily the same rate. Competitive does not mean the same, as I am sure you realize, it means a rate which taken together with all of the other mix of costs permits development to go ahead—which become then a yielder of private investment which yields in its turn incomes and employ-

[*Interprétation*]

portez au développement du Nord, que l'énergie est considérée simplement comme un élément, un élément important du développement de l'infrastructure nécessaire à l'expansion.

En constituant cette infrastructure, la société assure certains services privés au public qui n'auront jamais vraiment de rendements directs. On songe habituellement à assurer ces services, écoles, hôpitaux, égouts, administration civique, et autres services du genre, simplement pour des motifs humains, ce qui est tout à fait valable, mais il y a aussi les motifs économiques pour lesquels on assure ces services. C'est que sans ces services, le développement assuré par les capitaux de concert avec l'élément humain ne se produit pas ou se fait simplement dans des situations bien difficiles.

Ceux d'entre vous qui êtes allés dans le Nord se sont rendu compte des difficultés qui se présentent avec cette infrastructure de services plutôt mince. Mon premier point est donc qu'il y a bon nombre d'aspects de cette infrastructure qui ne donnent pas de rendements directs, mais dans la mesure où ils multiplient le nombre d'emplois, et les occasions d'obtenir un revenu, en plus de ces motifs humanitaires, ils apportent toujours un rendement à l'économie.

Il y a certaines parties de l'infrastructure qui peuvent donner un rendement partiellement direct. Certains services peuvent comporter des frais et en termes de comptabilité, les frais donnent un rendement direct à quiconque offre le service, le secteur public ou privé, mais même s'il y a un rendement direct partiel, les effets indirects sur la société dont nous parlons existent toujours de sorte que la société, la culture, l'économie, si vous voulez, en bénéficie peut-être plus que par les rendements directs qu'on peut réclamer pour le service.

Dans le rapport que nous avons préparé, nous prétendons que dans une région en voie de développement, le transport et l'énergie se trouvent dans cette catégorie. Il y a des bénéfices pour l'économie à fournir de l'énergie à un tarif concurrentiel, c'est-à-dire le taux concurrentiel comparativement à d'autres régions du Canada, et pas nécessairement le même taux. Le taux concurrentiel ne veut pas nécessairement dire un taux analogue mais un taux qui, en tenant compte de tous les autres coûts et éléments, permet le développement, qui engendre alors des bénéfices sur

[*Text*]

ment opportunities which may be larger than the actual charge for the power.

I now come to what I really regard as the crux of my remarks to the Committee, Mr. Chairman, that in the jargon of economics there are multiplier effects from certain kinds of economic activity. Power, since that is our main concern, will be the example. If, indeed, the providers of power insist, either by public policy or by private requirements, that their full costs will be recovered directly from the provision of the service—this is the legitimate calculus of the private sector, no argument about that and no complaint—but if the charge has to cover as the economy develops the full costs—recover directly from the users—associated with the provision, then I submit the charges are apt to be at a level higher than necessary to encourage optimum rates of development, that is the charge will be higher than a competitive rate where the consumption is much greater. In engineering terms and in economic terms these are sometimes referred to as the economies of scale.

Now, the economies of scale deal not with a pricing phenomenon, but with a cost phenomenon. As you produce more units of power from large installations the unit costs of power fall. Never mind what the price is, the cost of producing them will fall and I am sure you are all aware of this very simple economic example.

However, there economies of sale as well as economies of scale and the private calculus necessary to get an adequate return for private investment can only look at the direct return, that is the returns from the sale of the unit, whereas the total economy gets advantages or gains from the provision of power at competitive rates a multiple effect of this in enhanced incomes, enhanced employment opportunities, the installation of secondary, tertiary and service industries through this competitive pricing. I suppose in the private calculus what it means is the public sector can recoup through higher personal income taxes, through higher corporate profit taxes, through royalty imposts and a whole range of ways, investment costs for the provision of essential services.

[*Interpretation*]

les investissements du secteur privé qui, en retour, créent des emplois ou des revenus qui sont peut-être plus grands que les frais réclamés pour le service.

Et j'en arrive maintenant au point essentiel de mes remarques à ce comité, monsieur le président, c'est que dans le jargon économique, il y a des effets multiplicateurs qui découlent de certains genres d'activités d'ordre économique. L'énergie sera notre exemple vu que c'est là notre principale préoccupation. Si vraiment ceux qui fournissent cette énergie, soit en vertu d'une politique officielle, soit à cause des exigences privées, insistent pour que l'ensemble des immobilisations soient récupérés directement de l'utilisation de ce service et, c'est là le calcul légitime du secteur privé, sans arguments et sans plaintes, mais si, au fur et à mesure que l'économie se développe, le taux doit s'étendre à l'ensemble des frais, les récupérer directement des utilisateurs, tous les frais qui découlent du service, alors selon moi, les frais seront plus élevés que nécessaire pour encourager un taux optimal de développement, c'est-à-dire que le taux sera plus élevé qu'un taux concurrentiel si la consommation est beaucoup plus forte. C'est ce que, en termes techniques ou économique on qualifie souvent d'économie d'échelle.

Cette économie d'échelle n'a pas trait à un phénomène de prix, mais de coût. Au fur et à mesure que vous augmentez le nombre d'unités d'énergie produite dans de grandes centrales, le coût par unité d'énergie baisse. Quel qu'en soit le prix, le coût de production baisse. Je suis certain que vous savez tous ce principe économique très simple.

Mais il y a des économies de vente tout aussi bien que des économies d'échelle. Le calcul privé nécessaire pour obtenir un rendement adéquat d'un investissement privé ne peut que considérer le rendement direct provenant de la vente de cette unité, alors que l'ensemble de l'économie bénéficie de la mise sur pied d'un service d'énergie a un taux concurrentiel, et les effets multiplicateurs de cela sont d'accroître les revenus, le nombre d'emplois, et les installations des industries de services secondaires et tertiaires, à la suite des prix concurrentiels. J'imagine que ce que cela signifie dans le calcul privé, c'est que le secteur public peut récupérer par des impôts plus élevés sur le revenu des particuliers, sur le revenu des corporations, les droits d'auteur, et enfin toute cette gamme de possibilités qui permet au secteur public de récupérer ses frais d'immobilisations pour un service essentiel.

[*Texte*]

• 1140

You do not recoup them in the Yukon. You do not recoup them in any particular area of the country and particularly not in extractive areas. Where Canada as a whole and the public accounts recoup these kinds of investment expenditures is in higher corporation taxes, higher personal taxes in Ontario, in Quebec, in British Columbia, wherever the spillover from development of the North comes to rest and here I would like to draw a distinction between development in the north and development of the North. Our report has been particularly and primarily concerned with development "of" the North, not development "in" the North.

We have taken this position because development "in" the Yukon depends upon development "of" the Yukon. It would be possible to go ahead with a whole range of public welfare policies to develop the Yukon without in effect developing development "of" it.

This is in a very small measure what our public policies have been up until now. We have had welfare services, we have had a whole range of provision of services which have had the effect of development "in" the Yukon, but they have not been development "of" the Yukon. It is our position taken here that Canada in her over-all interest may choose to encourage the development "of" the Yukon, which will, incidentally, have a significant influence on the development "in" the Yukon.

I should like to conclude my remarks Mr. Chairman, by saying that this is in no sense a comparative study. We have not said here Canada ought to develop the Yukon ahead of developmental programs anywhere else. We do not know that. This study did not go into the pay-out in development in the Yukon as against pay-out, say, in developing northern Ontario, or Labrador or some other place. This simply was not in our terms of reference.

I do not know whether the benefits which will come to the whole of Canada from the development of the Yukon will be greater than from similar sums of money spent somewhere else. All we have attempted to do in this report is to say, if Canada wants to develop the Yukon, this is what we think the potential is if this kind of seed investment takes place.

Now perhaps, Mr. Chairman, some of the members will have been disappointed that I

[*Interprétation*]

On ne peut pas les récupérer au Yukon ni dans une région donnée du pays et surtout pas dans une région minière. Le Canada dans son ensemble et les comptes publics se trouvent à récupérer ce genre d'immobilisations par des impôts plus élevés sur le revenu des particuliers et des corporations, en Ontario, au Québec, en Colombie-Britannique, là où le développement du Nord produit des effets secondaires. Je voudrais ici faire une distinction entre le développement dans le Nord et le développement du Nord. Notre rapport touche surtout et principalement au développement «du» Nord et non pas au développement «dans» le Nord.

Nous avons établi une telle ligne de conduite parce que le développement au Yukon dépend du développement du Yukon. Il serait possible d'avoir tout un ensemble de politiques de bien-être social pour développer le Yukon sans de fait, en accroître le développement.

C'est, dans une très faible mesure, ce dont nos politiques officielles ont été capables jusqu'à maintenant. Nous avons eu des services de bien-être social, nous avons eu toute une gamme de services qui ont eu un effet de développement «dans» le Yukon, et non pas «du» Yukon. Et ici nous maintenons que le Canada, dans son intérêt général, peut décider d'encourager le développement «du» Yukon, ce qui, incidemment, aura une influence marquante sur le développement «dans» le Yukon.

Je voudrais terminer mes observations, monsieur le président, en vous disant que ce n'est pas du tout une étude comparative que nous avons faite. Nous n'avons pas déclaré ici que le Canada devrait développer le Yukon avant la mise au point de programmes de développement ailleurs. Nous ne connaissons pas cela. Cette étude n'a pas étudié cet aspect des avantages que découleraient du développement dans le Yukon en comparaison, disons, du développement du nord de l'Ontario, du Labrador ou d'autres endroits. Cela ne faisait pas partie de nos attributions.

Je ne sais pas si les avantages que tirera l'ensemble du Canada du développement du Yukon seront plus grands que les résultats obtenus à la suite d'investissements ailleurs. Tout ce que nous disons dans ce rapport, c'est que si le Canada désire développer le Yukon, voilà, à notre avis, quelles sont ces possibilités si ce genre, si de tels investissements ont lieu.

Alors, monsieur le président, peut-être que certains de vos membres seront déçus du fait

[*Text*]

did not get into comparative rates for power and all the rest of it. I claim no particular competence in that.

My main point is that for certain kinds of basic services, public investment has a way of recouping the investment in indirect fashions which can never be tallied in the balance sheet but which are supported by modern economic theory wherever you turn.

The general enhancement of employment opportunities and rising incomes will assist not only the people who work in the Yukon, but everyone in Canada who has in any small way a role to play in the development of the Yukon will see his standard of living enhanced, will see his ability to pay higher taxes to the public revenues, higher imposed royalties or whatever it may be, enhanced.

It is for this reason, Mr. Chairman and gentlemen, that I have concluded, and Dr. Carr concurs, that in the provision of the basic services, such as power, public investment has a different kind of calculus than a private producer must of necessity adopt. Thank you for your patience.

The Chairman: Thank you very mush Professor Anderson. Mr. St. Pierre has indicated he has a question.

Mr. St. Pierre: Thank you, Mr. Chairman. I would like to congratulate these two witnesses, if I may, Mr. Chairman, on giving us a great deal of information in a very short time; very clear and lucid statements to me at least.

I would like to question Dr. Carr about one matter which he raised; that is the question of Arctic sovereignty. I judged from his remarks that he has same doubt that we have sufficiently established our sovereignty in the Arctic.

Dr. Carr: No. There are questions, as you are aware, involved in actions such as this *S. S. Manhattan* project. There are considerations there. No, I do not think so. I think we just simply have to keep moving in the direction of ensuring our sovereignty. I did not mention that the factors that tend to assist the encroachment on our sovereignty are improvements in transportation, air transport, undersea transport and various new developments in technology. We saw the evidence when the Ski-doos travelled to the North Pole. They were Canadian, but any other country could

[*Interpretation*]

que je n'ai pas parlé des taux comparatifs pour l'énergie et autres. Je ne suis pas qualifié pour le faire.

Voici la principale observation: c'est que pour certains genres de services fondamentaux, l'investissement du secteur public peut ainsi récupérer ses investissements de façons indirectes qu'on ne peut jamais contrôler dans le bilan, mais qui sont appuyées de tous côtés par des théories modernes d'ordre économique.

La multiplication des occasions d'emplois et l'augmentation des revenus aideront non pas simplement les personnes qui travaillent au Yukon, mais toutes les personnes qui, d'une façon ou d'une autre, au Canada, ont un rôle à jouer dans le développement du Yukon, verront, rehaussés leur niveau de vie, leurs possibilités de payer des impôts plus élevés au revenu public, des redevances plus élevées, ou que sais-je encore.

C'est pour cette raison, monsieur le président et messieurs, que j'ai conclu, et le docteur Carr est d'accord, que si on assure des services fondamentaux tel que celui de l'énergie, l'investissement du secteur public doit utiliser une méthode de calcul différente de celle que doit adopter, de toute nécessité, un investisseur du secteur privé. Merci beaucoup de votre attention.

Le président: Merci beaucoup, professeur Anderson. Monsieur St-Pierre aurait une question à poser?

M. St-Pierre: Merci, monsieur le président. Je voudrais féliciter ces deux témoins—si on veut bien me le permettre, monsieur le président—de nous avoir fourni en peu de temps un très grand nombre de renseignements, de déclarations très claires et très précises. Je voudrais poser une question à M. Carr sur un point dont il a parlé, soit la souveraineté dans l'Arctique. A la suite de ces observations, j'en conclus qu'il éprouve certains doutes quant à notre souveraineté dans l'Arctique.

M. Carr: Non. Comme vous le savez, il y a des questions impliquées dans certains actes comme ce projet *S.S. Manhattan*. Il y a là des choses à examiner. Non, je ne crois pas. Je pense plutôt qu'il faut toujours nous acheminer dans cette voie pour assurer cette souveraineté du Canada. Je n'ai pas parlé des facteurs qui peuvent aider à l'empiétement sur notre souveraineté, soit l'amélioration des services de transport, le transport aérien, le transport sous-marin et les diverses découvertes nouvelles en technologie. Nous en avons eu la preuve lorsque les motos-neige ont pu

[*Texte*]

come in and do this and we might not even know it was being done.

In those vast spaces, it would not be difficult for other countries to set up study or research units here and there and eventually obtain squatter's rights and move on. The point I do make is that we must be more energetic and do more in terms of services for the North now than we used to have when it was so difficult to reach the North.

Mr. St. Pierre: There could be a threat to our sovereignty in future by other nations taking a sort of squatter's right on the lands?

Dr. Carr: These always raise questions unless the nation has established some surveillance that can prevent this.

Mr. St. Pierre: Now specifically on the *S. S. Manhattan* project...

The Chairman: Gentlemen, we are getting a little bit away from the hydro question in the Yukon. Mr. St. Pierre I just...

Mr. St. Pierre: Just one more question, and I will desist, Mr. Chairman, I know I am off the main subject. In your opinion, Dr. Carr, is it important for Canada to be represented in the *S. S. Manhattan* project?

Dr. Carr: I appreciate that I am speaking without adequate information on the territorial waters question, but if we wish to have headland to headland rights then I should think so.

Mr. St. Pierre: Thank you.

Mr. Cullen: The thing that concerns me about this area, Dr. Carr, you seemed to indicate you were not taking a stand on public versus private, yet I more or less glean from Professor Anderson that the tendency is to lean towards the public. I think you said the public involvement here has a different calculus. I would interpret that to mean the public investment here has an advantage. This seems to me to come out of the comments we have heard this morning. Am I interpreting you correctly on that Professor?

Professor Anderson: Yes, sir. The members are as aware as I am of the kinds of pricing policy which private investment must invoke in their responsibility to their investors. They

[*Interprétation*]

se rendre au pôle Nord—c'était des motos-neige de fabrication canadienne—et tout autre pays pourrait le faire, et ne nous en ferait sans doute pas part.

Avec ces grands espaces, il serait assez facile pour d'autres pays d'établir des installations d'études et de recherche ici et là et d'obtenir, éventuellement, des droits d'occupants. Mais, seulement, je dis qu'il nous faut faire preuve de plus d'énergie et faire beaucoup plus en fonction des services à assurer maintenant dans le Nord qu'on n'assurait pas lorsqu'il était si difficile d'avoir accès au Nord.

M. St-Pierre: Est-ce que d'autres nations pourraient menacer, disons, notre souveraineté en prenant une sorte de droit d'occupants?

M. Carr: Cela soulève toujours des questions à moins que la nation n'ait établi une certaine surveillance pour prévenir cela.

M. St-Pierre: Pour ce qui est du projet *S.S. Manhattan*...

Le président: On s'éloigne quelque peu de la question de l'énergie hydroélectrique au Yukon. Monsieur St-Pierre je...

M. St-Pierre: Une seule autre question, et je me désisterai, monsieur le président. Je sais que je me suis quelque peu éloigné du sujet principal. Mais pour ce qui est du projet Manhattan, à votre avis docteur Carr, il serait important que le Canada y soit représenté.

M. Carr: Je parle sans être vraiment bien renseigné sur la question des eaux territoriales, mais si nous voulons établir des droits de cap en cap, je pense que ce serait important.

M. St-Pierre: Merci beaucoup.

M. Cullen: Ce qui me préoccupe, monsieur Carr, c'est que vous semblez indiquer que vous n'avez pas pris position pour le secteur public contre le secteur privé. Mais, je crois saisir, d'après le professeur Anderson, que vous penchez plutôt vers le public. Je crois que vous avez dit que la participation publique ici représente une théorie bien différente. Alors, à mon avis, cela signifierait que de tels investissements présentent un avantage, d'après les commentaires que nous avons entendus ce matin. Est-ce que j'ai bien interprété vos paroles, professeur?

M. Anderson: Oui, monsieur. Les députés sont tout aussi bien renseignés que moi quant au genre de politique d'établissement des prix que le secteur privé de l'investissement se

[*Text*]

must secure through the life of the investment, and not delay the return too long, a return at least as good as that kind of investment could get in other endeavours.

Consequently, as the need for power develops, or the need for a system of power rather than simply individual plants supplying small—not necessarily small—individual mining operations or individual townsites, as long as that was the nature of the supply of power I doubt that I would have gone to the trouble to make this kind of a proposal.

I see no reason why, for instance, a mine which has its own townsite and is in relative isolation should necessarily have a public power diesel generator there. I just do not think that it matters that much. To that one industry, it is not anything like its most significant cost.

• 1050

I do not make an ideological issue for power on these grounds. However, where as I have suggested, the frontier is moving to the North with a whole range of kinds of activities which go with the moving frontier then the need soon arises—that is now in my opinion—for the beginnings of a grid system to economize on peaking capacity and the whole range of technical things which go with the provision of power to an economy in distinction to separate little economic activities. I am not suggesting that low priced power is in any respect a direct subsidy to the users of the power, but that the spillover effects of the kind of development which competitively priced power and other services yield is garnered by the nation as a whole.

This is the substance of my position and incidentally, to remind members of something that they, I am sure, know, the rationale of this kind of public posture is spreading wherever development spreads, for instance, Alaska.

There is not any question in Alaska about the provision of power. It is a public responsibility and moreover and incidentally, the power authority in Alaska has been given ways in which it becomes the guiding and driving force behind a great deal of economic activity, not that it takes part in it directly, but it has ways of stimulating this kind of thing.

Mr. Cullen: Perhaps your answer to my first question has answered my second ques-

[*Interpretation*]

doit d'invoquer à l'égard de ses responsabilités envers ses investisseurs. Ils doivent donc, tout au cours de la période de l'investissement, ne pas attendre trop longtemps pour que le rendement soit aussi bon que ce genre d'investissement pourrait obtenir dans d'autres cercles d'activité.

Donc, au fur et à mesure où le besoin d'énergie se présente, ou le besoin pour avoir un réseau d'énergie plutôt que simplement des usines individuelles pour approvisionner des exploitations minières individuelles ou des lotissements urbains individuels, aussi longtemps que c'était la nature de ce service de l'énergie, je doute fort que j'aurais fait de telles propositions.

Je ne vois pas pourquoi, par exemple, une mine qui a son propre lotissement urbain et qui se trouve assez isolée, se doive nécessairement d'avoir une génératrice diesel. Peu importe, je ne crois pas que ce soit si important. Pour cette industrie, ce n'est pas comparable à ses frais les plus importants.

Quant à l'énergie, je n'en fais pas, pour ces motifs une question sur le plan idéologique. Mais, lorsque la frontière se déplace de plus en plus vers le Nord avec toute cette gamme d'activités qui s'y rattache, le besoin se fait alors bientôt sentir—il se fait sentir maintenant, à mon avis—pour avoir un système de réseaux en vue d'économiser sur cette capacité et tous les aspects techniques rattachés à la fourniture d'énergie à une économie comparativement à des ilots d'activités économiques. Je ne dis pas que l'électricité à bas prix constitue un subside aux usagers, mais que les effets secondaires de ce développement qui résulte de prix compétitifs de l'électricité et d'autres services se trouvent à être un élément dont bénéficie tout l'ensemble de la population.

Voilà donc l'essentiel de ma ligne de conduite et aussi, pour rappeler aux honorables députés quelque chose dont ils sont vraiment au courant c'est-à-dire qu'une telle attitude de la part du public ce retrouve là où le développement se fait sentir, en Alaska par exemple.

On ne se pose pas de question à propos de ces services. C'est une responsabilité d'ordre public et de plus les responsables des services d'énergie en Alaska ont eu l'occasion de devenir la force de direction et d'orientation d'un grand nombre d'activités d'ordre économique non pas en vertu d'une participation directe, mais en encourageant de telles activités.

M. Cullen: En répondant à ma première question vous avez peut-être répondu à la

[*Texte*]

tion, that the kind of industry or economy we have in the North is a kind of suicide-type economy. If you have a mine, you mine it, work it out—take the minerals out—and then it is a dead issue. You have been talking in figures of $8 million to $9 million public funds and $4 million to $5 million private funds. Now, what in your opinion as an economist comes first? Do we send the explorers, the miners and people like that in there first to determine where we are going to spend the money? How do we justify, for example, spending a fortune to help some miner in the northern part of the Yukon only to find that in 10 years' time or 25 years' time it has been mined out? What comes first, the chicken or the egg? In this sense which is the chicken?

Professor Anderson: Yes, I was about to ask if you could tell me which was the chicken. It is difficult to talk about the provision of power in isolation. If our minerals consultants had demonstrated to us a pattern of mineralization in the Yukon which was simply a series of widely spaced and discrete ore bodies, I suspect that a continuation of our present policies might be feasible. But, indeed, of course, we now have evidence of great belts of mineralization so that every single venture which begins with the assistance of transport, power or whatever has opened the prospect of a continuing developmental activity there for as far as we can see, even the world-wide increasing demand for the resources of the Yukon. These resources are becoming in short supply in other areas. I am not going to suggest that the minerals of the Yukon are just all that unique, but they could join in the world supplies given the cost structures which make them somewhat competitive.

• 1115

Mr. Nielsen: Mr. Chairman, I have a compelling appointment which is going to take me away from the meeting and I thought perhaps members might permit me to say very briefly that this report concerns itself with the Yukon—Professor Anderson has pointed that out—and not the North generally. I think that should be borne in mind throughout our questioning.

My second point is in the form of a question to either Dr. Carr or Professor Anderson. When the study was made by CBA of Vancouver, the engineering firm that was requested by the Commission to bring forward the basis upon which these recommendations largely were made, were either you, Dr. Carr, or Professor Anderson aware that no one, either from or on behalf of that firm,

[*Interprétation*]

deuxième, c'est-à-dire que le genre d'industrie ou d'économie qu'il y a dans le Grand nord est une économie-suicide. Lorsque vous avez une mine, vous l'exploitez à fond, en extrayez les minéraux et, lorsqu'ils sont épuisés, il ne reste plus rien. Huit à neuf millions d'investissements publics, et quatre à cinq millions d'investissements privés sont en cause. A titre d'économiste, selon vous, qu'est-ce qui doit venir en premier? Envoyons-nous d'abord prespecteurs et mineurs pour établir où nous allons investir? Comment justifier la dépense d'une fortune pour aider un mineur dans le nord du Yukon et pour découvrir 10 ou 25 ans plus tard que le secteur a déjà été exploité? Qu'est-ce qui vient en premier? La poule ou l'œuf? Et que faut-il considérer comme la poule?

M. Anderson: J'allais demander la même chose. Il est difficile de parler de la fourniture d'énergie électrique dans les secteurs isolés. Si nos experts-conseils en exploitation minière avaient pu nous prouver la présence d'un mode de minéralisation au Yukon, constitué d'une série de petits gisements séparés, je crois que nous pourrions poursuivre notre politique actuelle. Mais je crois savoir maintenant que nous avons la preuve de la présence de grandes zones de gisements, chaque entreprise mise en branle par une aide au transport, à l'énergie, etc., a donné naissance à des perspectives d'expansion continue dans ce secteur, même dans le domaine de la demande mondiale croissante de produits du Yukon. Et ces ressources deviennent de plus en plus rares dans d'autres secteurs. Je ne veux pas dire que les ressources minérales du Yukon sont tellement uniques, mais elles pourraient s'intégrer à l'offre mondiale, compte tenu de la structure des prix qui les rendrait compétitifs.

M. Nielsen: J'ai un autre rendez-vous qui me force à m'absenter, mais j'aimerais dire très brièvement que ce rapport à trait surtout au Yukon et non au Grand nord en général. Je crois qu'il faut toujours s'en rappeler.

Deuxièmement j'ai une question à poser, soit au docteur Carr, soit au professeur Anderson. Lorsque l'étude a été faite par la C.B.A. de Vancouver, bureau d'ingénieurs à qui la Commission a demandé d'établir les bases sur lesquelles sont fondées ces recommandations, savez-vous, docteur Carr ou professeur Anderson si quelqu'un, au nom de ce bureau d'ingénieur, a visité le Yukon afin de

[*Text*]

visited the Yukon in order to compile the information upon which these recommendations were made?

Dr. Carr: Yes, we were aware that there was just one quick trip made. It was understood in the beginning that the information should be compiled primarily from secondary material.

Mr. Nielsen: I am sorry to interrupt. Are you suggesting that someone from that firm did go to the Yukon?

Dr. Carr: It was my understanding that they went, yes.

Mr. Nielsen: That is not the case, Dr. Carr.

Dr. Carr: Well, in any case, I do not think it relates to the matter. They were employed to do a study of the information available. As you know, there have been quite a few studies done of various parts, the Rat, the Peel, the Yukon and the study of surrounding rivers—the Ingledow Report just recently completed. The task was to draw these together and there was no advantage in going to the Yukon to do this. It was not an engineering study of any particular point. The only thing they had to do was to gather together, analyze and combine the information that was already available. We took the responsibility ourselves of interviewing the people in connection with that—Professor Anderson and I.

Mr. Nielsen: Thank you, Mr. Chairman. I meant no disrespect when I contradicted you, Dr. Carr. I think you are misinformed on that point.

Dr. Carr: I may be, yes. I had understood that someone had gone.

The Chairman: Do you have further questions, Mr. Nielsen?

Mr. Nielsen: No, thank you, I must go. I am very sorry, but this appointment was made quite some time ago. I am sure, however, the other members will question the two witnesses very thoroughly.

The Chairman: Do you have a comment on Mr. Nielsen's remark, Professor Anderson?

Professor Anderson: With your permission, I would put a statement on the record respecting this special report that was made. The policy conclusions drawn in the final report are the responsibility of the witnesses you have before you. Such policy conclusions were not the responsibility of the people that

[*Interpretation*]

compiler les renseignements sur lesquels se sont basées les recommandations?

M. Carr: Nous savions qu'il y a eu une visite assez brève dans cette région. Il était convenu que les renseignements, au départ, devraient être compilés à partir de matériel secondaire.

M. Nielsen: Est-ce que vous dites que quelqu'un est allé au Yukon?

M. Carr: Je crois savoir que oui.

M. Nielsen: Je ne crois pas.

M. Carr: Quoi qu'il en soit, je ne crois pas que cela a trait à la question en cause. On a embauché ces gens pour faire l'étude d'après les renseignements disponibles. Comme vous le savez, il y a eu un certain nombre d'études dans divers secteurs de la *Rat* et de la *Peel*—le Yukon et l'étude des cours d'eau environnants—le rapport Ingledow qui vient d'être terminé. Il s'agissait, en fait, de réunir tous ces rapports et il n'y avait aucun avantage à se rendre au Yukon pour le faire. Il ne s'agissait pas d'une étude technique. La seule chose qu'il fallait faire c'était de réunir la documentation, de l'analyser et de compiler les renseignements. Nous avons pris la responsabilité d'interviewer les gens en cause, c'est-à-dire le professeur et moi-même.

M. Nielsen: Merci, monsieur le président. Je ne voulais pas vous contredire, monsieur Carr.

M. Carr: Oui, j'avais compris que quelqu'un y était allé.

Le président: Vous avez d'autres questions monsieur Niselsen?

M. Nielsen: Non, mais je dois partir. Je suis sûr que les autres députés auront des questions à poser aux témoins.

Le président: Voulez-vous commenter la remarque de M. Nielsen, professeur Anderson.

M. Anderson: Avec votre permission, j'aimerais consigner une déclaration au sujet du rapport spécial qui a été fait. Les conclusions de principe tirées dans le dernier rapport sont la responsabilité des témoins. Ces conclusions ne découlent pas des gens qui avaient cette tâche précise et, très brève-

[*Texte*]

we gave a specific task to and if you wish, I can outline very briefly the kinds of recommendations which they made, but I will forbear since the documents are available.

The Chairman: Thank you.

Mr. Thomson (Battleford-Kindersley): Dr. Carr, what was the name of that report Mr. Nielsen mentioned?

Dr. Carr: It was by CBA Engineering. It was a reference study on power—Volume 6 of our report.

Mr. Thomson (Battleford-Kindersley): But, in effect this was some of your basic material?

Dr. Carr: This was some of the source material, yes.

Mr. Thomson (Battleford-Kindersley): Thank you, that is what I wanted to know.

Dr. Carr: The list of studies is in Appendix D in the reference and it is included.

The Chairman: For the information of the Committee, I believe, Dr. Carr, that the procedure was that all the basic material for Volume I was printed at the same time, but was not sent out to the people who received Volume I. It is available to members through the Library here.

• 1200

Mr. Thomson (Battleford-Kindersley): Could I just ask a further question? You gentlemen did not go to the Yukon and sort of put your hands on the . . .

Professor Anderson: We were there many times.

Mr. Thomson (Battleford-Kindersley): Yes, this is what I wanted to make clear, thank you.

Dr. Carr: I was making clear to Mr. Nielsen that in the course of our interviews in the Yukon—we made eight or ten trips there all together—we interviewed the people concerned with power at that time.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, we are not discussing anything but power this morning.

The Chairman: The matter before the Committee is the power question. Now, if we get through the power question completely, and if all members agree, then perhaps we can question Dr. Carr and Professor Anderson

[*Interprétation*]

ment, je peux vous donner un compte rendu des recommandations qu'ils ont formulées, mais je vais m'abstenir car nous avons les documents.

Le président: Je vous remercie monsieur Nielsen.

M. Thomson (Battleford-Kindersley): Quel était ce rapport, qu'a mentionné M. Nielsen?

M. Carr: Il s'agit du rapport de la C.B.A. Une étude sur les besoins énergétiques du Yukon. Volume 6 de notre rapport.

M. Thomson (Battleford-Kindersley): Cela vous a servi de base?

M. Carr: Il s'agissait de documents de référence.

M. Thomson (Battleford-Kindersley): Merci. C'est ce que je voulais savoir.

M. Carr: On trouvera la bibliographie à l'appendice D.

Le président: Pour la gouverne du Comité, je crois, docteur Carr, que le matériel de références pour le premier volume a été imprimé en même temps mais non envoyé à ceux qui ont reçu le Volume I. Cette documentation est disponible dans la bibliothèque.

M. Thomson (Battleford-Kindersley): Vous n'êtes pas allé vous-mêmes au Yukon pour mettre en sorte la main à la pâte?

M. Anderson: Nous y sommes allés maintes fois.

M. Thomson (Battleford-Kindersley): C'est justement ce que je voulais élucider.

M. Carr: Comme je l'ai dit à M. Nielsen, au cours de nos entrevues au Yukon, nous avons fait de huit à dix tournées et nous avons interviewé les gens qui s'occupaient des ressources énergétiques, à cette époque.

M. Thomson (Battleford-Kindersley): Nous ne parlons de rien d'autre que de l'énergie ce matin.

Le président: La question que doit étudier le Comité est celle des besoins énergétiques. Si nous terminons complètement l'étude de cette question, et que tous les membres du Comité soient d'accord, nous pourrions peut-

[*Text*]

generally on the economic side of the Yukon. Mr. Kaplan had a question.

Mr. Kaplan: Mr. Chairman I am surprised I say this without meaning any disrespect to the witnesses, that it has not been possible for them, in the course of their studies, to recommend either the use of private or public power for the development of the North and I want to ask a couple of questions about that.

I am grateful for your more general remarks than those remarks about power. You talked for a moment about the economic unit that is composed of the Yukon and the District of Mackenzie portion of the Northwest Territories. Can we take it that your view is that is really one area for the purposes of development? Might there be some political advantage from treating the Mackenzie territory and the Yukon as one? There are political facts that we face. We cannot take British Columbia. We cannot take Alaska. But it is within our power, I suppose, as the federal government, to create a political unit of the Mackenzie territory and the Yukon. So before we come to power that I would like to talk about for a minute, may I ask if you think there is merit in that kind of political unit?

Dr. Carr: We have emphasized in the first three chapters, perhaps, the fact that if there is to be effective development it ought to be treated as a region. We see no reason why the political boundaries should interfere with this economic development in terms of economic services.

Mr. Kaplan: Well it may not if both territories are administered by the federal government, but if one or the other were to become a sovereign province then it might make a difference.

Dr. Carr: I do not think that it needs to. Certainly the development that already has been going north through British Columbia and Alberta in terms of highways, the Pine Point Railway, and the P.G.E. Railway are going north with the object of providing services on a remunerative basis. It is all part of the kind of development that we are visualizing only it is probably more co-ordinated and not piecemeal, even for Alaska. The people in that whole region are rather desperate for economic development at this time and Alaska would be most happy to co-operate in many respects. They lean towards those as-

[*Interpretation*]

être poser des questions générales au professeur Anderson et à M. Carr sur l'économie du Yukon. M. Kaplan avait une question à poser.

M. Kaplan: Monsieur le président, je suis surpris, sauf le respect que je dois aux témoins, qu'il leur ait été impossible, au cours de leurs études, de recommander l'usage de l'énergie fournie soit par le secteur public soit par le secteur privé, et j'aimerais poser deux ou trois questions à ce sujet.

Je suis heureux que l'on puisse faire des observations plus générales que celles qui ont trait à l'énergie. Vous avez parlé un instant de l'entité économique qui se compose du Yukon et, dans les Territoires du Nord-Ouest, du District de Mackenzie. Doit-on comprendre que, selon vous, il ne s'agit là que d'une seule région, pour ce qui est de l'expansion économique? Est-ce qu'il serait avantageux, du point de vue politique, de traiter le Yukon et le District de Mackenzie comme étant un seul territoire? Il y a des réalités politiques auxquelles nous devons faire face. Nous ne pouvons pas prendre la Colombie-Britannique, nous ne pouvons pas prendre l'Alaska. Mais nous pouvons, je pense, en tant que gouvernement fédéral, grouper en une seule unité politique le territoire de Mackenzie et le Yukon. Donc, avant que nous ne passions à la question de l'énergie, dont j'aimerais parler un instant, pourriez-vous me dire si à votre avis une telle entité politique présenterait quelque avantage?

M. Carr: Nous avons insisté, dans les trois premiers chapitres, peut-être, sur le fait que si ce secteur doit connaître une expansion réelle, il faudrait le considérer comme une entité. Il n'y a aucune raison pour que les limites politiques gênent l'expansion économique en ce qui concerne les services.

M. Kaplan: Cela peut ne pas être un obstacle si les deux territoires sont administrés par le gouvernement fédéral, mais cela pourrait être important si l'un ou l'autre devenait une province souveraine.

M. Carr: Je ne pense pas que ce soit nécessaire. Assurément, il se fait un expansion vers le Nord, en passant par la Colombie-Britannique et par l'Alberta, pour ce qui est des services de voirie, des chemins de fer de Pine Point et du P.G.E., et l'on monte vers le nord dans le but d'assurer des services sur une base rémunératrice. Tout cela fait partie du genre d'expansion auquel nous songeons, mais c'est sans doute mieux coordonné et non morcelé, même en Alaska. Les habitants de toute cette région souhaitent avidement une expansion économique en ce moment, et même l'Alaska serait très heureux de collabo-

[*Texte*]

pects where most of the activity is in Alaska. However, there are other aspects, such as the proposed extension of the railway from Dawson to Fairbanks. It would be almost an automatic development in Alaska. A great deal of the benefit would return to Canada through transported goods from all over the United States to Alaska.

• 1205

I do not think the political boundaries need be a problem. They can be. I think I would agree, however, with your implication that at least it probably would be more effective if there were fewer and I do not disagree with that. It is not going to be very long until the people in the Yukon and in the western part of Mackenzie District have to make a decision on this. Certainly the advantages today are all toward larger regions. We see the disadvantages in the Maritimes and other areas of too small regions. Here we have something that we ought to be able to think cogently about from the beginning.

Mr. Kaplan: Well I am glad to have your view about that. Turning for a moment to the problem of power, I was hoping on our recent trip to the North that I would be able to make a decision on the basis of what I had seen about whether private power did have a role to play in the development of the North. It is discouraging in view of the work that went into the preparation of this Report that it was apparently impossible for experts to come to some conclusion in that area.

Dr. Carr: I do not know whether you have read Chapter 8 or not; I hope you have. I thought our position was quite clear in there. As Professor Anderson and I have been saying, public interest in the North is rather extensive. The returns to public development may be much more easily gained through public development than private. In a region such as the North that is so dependent on public measures, public services for development, surely there is a role for each. Certainly there cannot be much question that if there is to be development it probably must largely stem from public initiative and public finance. I might just read this paragraph on page 170.

> Accordingly, it is recommended that a new power authority be established for the northwest region of the Territories; that such an authority be created either by extending the role and organization of

[*Interprétation*]

rer sous bien des aspects. On tend vers les aspects où la majeure partie de l'activité se situe en Alaska. Toutefois, il y a d'autres aspects, comme l'extension projetée du chemin de fer de Dawson à Fairbanks. Ce serait presque une expansion économique automatique de l'Alaska. Mais le Canada en bénéficierait beaucoup, grâce au transport vers l'Alaska de marchandises venant de toutes les régions des États-Unis.

Je ne pense pas que les limites politiques constituent forcément un problème; elles pourraient en être un. Mais je dirais, comme vous, que l'expansion serait probablement plus efficace s'il y avait moins de limites politiques. J'en conviens parfaitement. Dans peu de temps, les habitants du Yukon et de la partie ouest du District de Mackenzie vont devoir prendre une décision à ce sujet. De nos jours, on a toujours avantage à avoir des régions plus grandes. On s'aperçoit, dans les Maritimes et ailleurs, des inconvénients des régions trop petites. Il y a là un problème qu'il faudrait arriver à bien penser dès le départ.

M. Kaplan: Je vous remercie de m'avoir donné votre opinion à ce sujet. Pour ce qui est de la question de l'énergie, j'espérais, lors de notre récent voyage dans le Nord, pouvoir parvenir à une décision, d'après ce que nous avions vu, sur le rôle possible de l'énergie du secteur privé dans l'expansion du Nord. Il est décourageant de constater que, malgré tout le travail nécessaire à la préparation de ce rapport, les experts n'aient pu parvenir à une conclusion à ce sujet.

M. Carr: J'ignore si vous avez lu le chapitre 8 ou non; j'espère que vous l'avez lu. Je pense que nous y exprimions notre attitude très clairement. Comme le professeur Anderson et moi-même l'avons dit, le grand public s'intéresse beaucoup au Nord. Les avantages pour le public de la mise en valeur sont beaucoup plus facilement atteints grâce à la mise en valeur publique que grâce à la mise en valeur privée. Dans une région comme le Nord, dont l'expansion dépend tellement des mesures et des services publics, chacun des deux secteurs a certainement un rôle à jouer. Il ne fait aucun doute que la mise en valeur doit résulter en grande partie de l'initiative et des finances du secteur public. Je pourrais vous lire ce paragraphe, à la page 150:

> En conséquence, il est proposé qu'un nouvel organisme pour l'énergie électrique soit constitué pour le Nord-Ouest des Territoires, soit en étendant le rôle et l'organisation de la Commission d'énergie

[*Text*]

the Northern Canada Power Commission or by establishing a new agency responsible for power in the northwest region of the Territories; that it be effectively authorized, organized, staffed, located, and equipped to carry out fully the responsibilities as agent of the federal government, for planning, developing, coordinating, and operating, where necessary, the power services suitable for the effective economic development of the Yukon and the rest of the northwest region of the Territories.

Mr. Kaplan: Well, that is fine, however, the question I asked was whether you thought there was a role for private power in the North. Perhaps I might then focus on the expression "where necessary". What do you think would make it necessary in a particular situation for public power to be used? Do you think that private power ought to be the first preference where it can function economically or is there some other criterion?

Dr. Carr: I think this fits in with what Professor Anderson has been talking about and I will let him answer this.

Professor Anderson: Mr. Chairman if I could revert for a moment, when we made the initial statement on not deciding about public and private, I am sure it should have been stated in the context that we do not regard the present function and role of Yukon Electrical Company as the only function and role for private power. Also, that we do not regard NCPC, Northern Canada Power Commission, as an example of public power that is necessarily to be extended. I tried to deal with this in the economic construction of it; that there may be a role if northern communities decide that the distribution facilities, even some of the production facilities, might well belong to the private sector.

One of the great needs in the Yukon as in any region where you look to regional development—not simply independent, sporadic, atomistic activities—is a scale of uniform rates or nearly uniform rates, interconnecting grids, so that peaking and all these other factors can be taken into account and the technical factors which I do not pretend to be expert in but have read with some care respecting the annual flows, limitations of

[*Interpretation*]

du Nord canadien, soit en créant un nouvel organisme chargé de l'approvisionnement en énergie du Nord-Ouest des Territoires. Il est proposé également que cet organisme soit muni des pouvoirs, de l'organisation, du personnel, des installations et de tous les éléments nécessaires pour remplir toutes les obligations qui lui incomberont en sa qualité d'organisme fédéral: planification, développement, coordination et exploitation, s'il y a lieu, des services d'électricité nécessaires à la croissance économique du Yukon et du Nord-Ouest des Territoires en général.

M. Kaplan: Tout cela est très joli, mais ce que je vous ai demandé, c'est si l'énergie du secteur privé avait un rôle à jouer dans le Nord. Je pourrais peut-être insister sur l'expression «s'il y a lieu». Selon vous, qu'est-ce qui pourrait rendre nécessaire, dans une situation particulière, l'utilisation de l'énergie du secteur public? Pensez-vous que l'on devrait donner la préférence au secteur public lorsqu'il peut fonctionner de façon économique, ou y a-t-il d'autres critères?

M. Carr: Je pense que cela a trait à ce dont a parlé le professeur Anderson, aussi vais-je le laisser répondre à cette question.

M. Anderson: Monsieur le président, si vous me permettez de revenir en arrière un instant, lorsque nous avons déclaré, au début, ne pas avoir tranché la question entre le secteur public et le secteur privé, je suis certain qu'il aurait fallu préciser dans le contexte que nous n'envisagions pas la fonction et le rôle actuel de la *Yukon Electrical Company* comme étant la seule fonction et le seul rôle possibles pour l'énergie du secteur privé. Nous aurions dû dire aussi que nous ne considérions pas la C.E.N.C., la Commission d'énergie du Nord canadien, comme un exemple de l'énergie du secteur public qui doive s'étendre. J'ai essayé de préciser cela du point de vue économique: c'est-à-dire qu'il peut y avoir un rôle à jouer si les collectivités du Nord décident que les installations de distribution, et même certaines des installations de production, pourraient fort bien appartenir au secteur privé.

Mais, l'un des grands besoins dans le Yukon, comme dans toutes les régions où l'on envisage l'expansion régionale, pas simplement l'activité sporadique, c'est d'avoir une échelle de tarifs uniforme ou quasi uniforme, la création de réseaux qui tiennent compte de tous ces facteurs, et ces éléments techniques, (je ne prétends pas être expert, mais que j'ai lus avec soin) c'est-à-dire les fluctuations annuelles, les restrictions de l'énergie hydroé-

[*Texte*]

hydro, thermo, even nuclear power—where all of the technical advantages of these various modes can be integrated to give to the grid system the kind of service we have come to expect in other places.

If, indeed, there is any validity to the idea of uniformity of rate depending upon consumption factors, and so on, I ask myself as an economist how can the private sector survive with a rate structure designed to encourage development; designed to produce electricity while the consumption is not at the highest possible load; designed to produce electricity because the indirect stimulations which come from it are picked up by the public sector somewhere else? How can the private sector, the private operator, amortize his costs for the sake of his owners on that kind of rate structure because he can only recoup directly; that is, right straight out of the rate?

There is a role if it should be chosen for distribution facilities where you buy the power from the grid and distribute it with the necessary markup because even though it were provided publicly the same kind of distribution costs would occur and these costs are ordinarily directly recouped. These are not amortized. The things that are amortized and provide the possibility for lower rates and recouping indirectly are the heavy construction costs for big thermo plants, for big hydro plants, and not necessarily the distribution of facilities.

Indeed, I said in my earlier remarks where you find isolated activites there is no reason why the owner of the mill should not run the power. I cannot see any reason why he should not—and that is private power—and supply his own town-site and all the rest of it. It is more economical to do that as long as he is not tied to a grid. If he is tied to a grid you work on a power exchange system of some kind with a price differential. It might be a plus differential if he has excess power for the grid.

What is needed in my opinion is a policy of power tied to and structured into public provision of the most important—that is, largest and longest—scale types of projects. One of the good examples of this is the situation in the Western United States 20 or 30 years ago compared with now. Immense federal power installations went in well ahead of demand and a great proportion of the California economy is possible because of those early steps.

[*Interprétation*]

lectrique atomique et nucléaire où tous ces modes d'énergie électrique peuvent être intégrés pour assurer au réseau le genre de service auquel on s'attend dans d'autres régions.

Par conséquent, si vraiment l'idée de l'uniformité des tarifs établis en fonction de la consommation est tant soit peu valable, je me demande à titre d'économiste comment le secteur privé peut-il survivre alors que les tarifs sont sensés encourager la mise en valeur, l'énergie électrique pendant que la consommation n'est pas élevée, produire de l'électricité étant donné que la stimulation indirecte qu'elle fournit est recueillie par le secteur public quelque part ailleurs? Comment les administrateurs du secteur privé peuvent-ils amortir leur coût si une telle structure de tarifs est envisagée?

Bien sûr, il y a aussi un autre rôle où l'on peut acheter l'énergie à partir du réseau et la distribuer avec cette augmentation prévue, car même si cette énergie était distribuée directement au public, il y aurait les mêmes frais de distribution qui seraient, d'ordinaire, directement récupérés. Ils ne sont pas ainsi amortis. Les frais qui sont amortis et qui permettent d'établir des taux moins élevés et d'être indirectement récupérés sont les coûts d'aménagement trop élevés des centrales thermonucléaires, hydroélectriques, et pas nécessairement la distribution de l'énergie électrique.

Je l'ai déjà dit plus tôt, lorsque vous avez dans un secteur des consommateurs isolés, je ne vois pas pourquoi le propriétaire de l'usine ne doit pas exploiter sa propre source d'énergie. C'est plus rentable, c'est plus économique aussi longtemps qu'il n'est pas lié à un réseau. Mais s'il est lié à un réseau, vous avez, en quelque sorte, un système d'échange d'énergie, comportant un prix différentiel. S'il dispose de l'énergie excédentaire pour le réseau, ce pourrait être au prix différentiel en plus.

Mais ce dont nous avons besoin, à mon avis, c'est une politique, en matière d'énergie, rattachée à une structure où se trouvent inclus ces aspects particuliers des projets d'envergure à courte et à longue échéance. Un des meilleurs exemples est celui de la situation dans l'Ouest des États-Unis d'il y a 20 ou 30 ans, comparativement à ce qu'il en est maintenant. D'immenses aménagements hydro-électriques y ont été installés avant qu'il n'y ait eu de demande et une bonne partie de l'économie de la Californie a été rendue possible grâce à ces mesures prévoyantes.

[*Text*]

The rates were certainly not rated to cover cost in those early years but they are now, indeed, returning to the public sector very handsomely because of the stimulative effects.

Mr. Kaplan: I have a concluding general question, not specifically related to power. Do you think that the experience in the development of the north of some other countries might be useful and relevant to the development of the North of our country, such as socialist or communist countries or the experiences in Alaska?

• 1215

Dr. Carr: Oh yes, indeed. One thing we have found is that so many of the disadvantages of development in the North can be overcome over time by working and developing technology for them; for example, protection against the cold, and so on.

It used to be that there was very little activity, especially in construction or even in mining, above ground during the winter in the Yukon.

Today they have diesels equipped to protect them from the cold; they have special oils that are suitable for running day in and day out and year in and year out, and a great many things that enable operators to carry on very much the same as anywhere else in Canada and at a relatively small cost.

The experience in other countries fits very much into this pattern. In fact, it would be a very excellent type of comparative study to have the technology that has been developed in other countries compared and conjoined with that of the Canadian North.

Mr. Kaplan: Has there been such a study?

Dr. Carr: There have been a great many visits and this sort of thing, I believe, but not on this detailed comparative basis. Might I just revert briefly to your question on public versus private power? I think if I might put it in a nutshell we have tried to say that where it is economically sound there should be public power and where it is economically sound there should be private power.

I think each one can be determined on that basis except for where you come to the massive undertakings which impose a burden almost always upon the public investment, and this is what we are saying—if the Yukon remains a region of isolated mines there

[*Interpretation*]

Les tarifs n'étaient certainement pas calculés de façon à couvrir les frais dans ces années-là, mais c'est aujourd'hui que le secteur public en ressent les effets de cette prévoyance.

M. Kaplan: J'ai une suggestion qui ne se rattache pas nécessairement à l'énergie. Croyez-vous que l'expérience, pour le développement du Nord dans d'autres pays, pourrait être pertinente et utile au développement des régions septentrionales de notre pays, comme le développement dans les pays socialistes, communistes ou autres, ou encore l'expérience de l'Alaska?

M. Carr: Oui, certainement. Une des choses que nous avons constatées c'est que les inconvénients du développement du Nord peuvent être surmontés à la longue par le travail et la technologie; ainsi, par exemple, la protection contre le froid qui autrefois était tel qu'il y avait très peu d'activité surtout dans la construction, ou même dans l'exploitation minière au-dessus du sol, pendant les mois d'hiver, au Yukon.

Aujourd'hui, ils ont du matériel diésel pour les protéger du froid; ils ont aussi du pétrole spécial qui peut être utilisé jour après jour et d'année en année, et d'autres facilités qui leur permettent et qui nous permettent de maintenir l'activité tout comme n'importe où ailleurs au Canada et à des coûts relativement peu élevés.

Et l'expérience d'autres pays cadrent même très bien avec ce qui en est ici et ce serait un excellent genre d'étude de comparer et d'associer la technologie mise au point dans d'autres pays, à celle du Nord canadien.

M. Kaplan: Y a-t-il eu une telle étude?

M. Carr: Non, il y a eu bon nombre de visites, d'échanges mais non pas une telle étude comparative détaillée. Permettez-moi, maintenant, de me reporter brièvement à la question que vous avez posée et qui portait sur l'énergie dans le secteur public et dans le secteur privé. Je me permets de la résumer en disant que nous avons essayé de dire que, dans la mesure où il est rentable de le faire sur le plan économique, on devrait confier la production de l'énergie au secteur privé ou au secteur public.

Je pense que c'est sur cette base que le choix doit se faire, sauf lorsqu'il s'agit d'importants travaux qui imposent presque toujours un fardeau aux investissements publics, et c'est ce que nous disons: si le Yukon demeure toujours une région d'exploitations

[*Texte*]

probably is no role for public power, but we are saying that the Yukon has reached a point today where there is scope for a grid, for a larger scale power output, so this makes it a different situation.

It is the same as in all provinces where you have a power commission or crown corporation; they do not cover all the isolated points in the northern part of the province but for the vast body they are the responsible authority.

Mr. Kaplan: Thank you.

Mr. Thomson (Battleford-Kindersley): I would just like to make a comment in this respect in reply to Mr. Kaplan's question. In effect, the big populated centres or heavy demand centres for electricity have electricity at reasonable cost, but the poor little fellow or the outlying regions where there is not much demand either do not get any or they pay two prices for it. I think it is as simple as that and I speak from experience.

This is just what happened to the outlying areas in the Prairie Provinces before we had a public power. The cities had it at a reasonable price. The rural areas—particularly some rural areas—did not have it all and they fought with a lighting plant or something like that.

The Chairman: Are you finished with your questions, Mr. Kaplan?

Mr. Kaplan: Yes, thank you.

Mr. Borrie: Mr. Chairman, my questions are not on power so perhaps you would like to carry on on that subject.

The Chairman: Mr. Simpson?

Mr. Simpson: Dr. Carr, in the report you mentioned that the resources for hydro electric potential should be more fully established and that the most favourable hydro electric sites should be investigated again. Assuming that hydro electric power is pretty well an absolute necessity for development in the mining industry, from your studies could either of you gentlemen say whether there is any evidence that resource development up to this time has been hindered or held back in the Yukon for lack of power?

What I mean is, if resource development were discussed with the Commission I am sure that power would in some way come into the picture and be negotiated, but have there

[*Interprétation*]

minières isolée, il n'y aura probablement pas de rôle pour l'énergie publique, mais nous soutenons qu'on en est rendu aujourd'hui à un point où il existe au Yukon un potentiel qui justifie l'établissement de tout un réseau pour une exploitation sur une vaste échelle, tout comme dans une province où vous avez une commission de l'énergie, ou une société de la Couronne; ces sociétés ne couvriraient pas tous les points isolés dans les régions du Nord de la province, mais pour l'ensemble, elles constitueraient l'autorité responsable.

M. Kaplan: Merci.

M. Thomson (Battleford-Kindersley): Je voudrais simplement faire une observation en réponse à la question de M. Kaplan. En fait, là où il y a une très grande demande en matière d'électricité, l'électricité se trouve à un coût raisonnable, mais dans les régions périphériques où la demande est moins grande, soit que vous n'en ayez pas où que le prix soit très élevé. C'est ce qui se produisait dans les régions périphériques des provinces des Prairies, avant que le secteur public de l'énergie électrique ne s'y installe. Les villes disposaient de l'énergie à un prix raisonnable et certaines des régions rurales, n'en avaient pas et devaient se contenter d'une petite installation pour avoir un peu d'électricité.

Le président: Avez-vous fini de questionner, monsieur Kaplan?

M. Kaplan: Oui, merci monsieur le président.

M. Borrie: Monsieur le président, mes questions ne portent pas sur l'énergie, vous pourrez donc continuer sur le même sujet.

Le président: Monsieur Simpson?

M. Simpson: Monsieur Carr, vous aviez mentionné dans votre rapport qu'il fallait bien déterminer le potentiel de l'énergie hydroélectrique et que les emplacements les plus appropriés pour l'aménagement des usines devait faire l'objet d'une seconde étude plus approfondie. En supposant que cette énergie est une nécessité fondamentale pour le développement de l'industrie minière, pourriez-vous en vous basant sur les études que vous avez faites nous dire si vous avez réussi à démontrer que la mise en valeur des ressources a été jusqu'ici gênée ou retardée au Yukon pour manque d'énergie?

Voici ce à quoi je veux en venir. Si l'on discutait de la mise en valeur des ressources avec la Commission, je suis sûr qu'à un moment donné, il sera question d'énergie

[*Text*]

been any large entrepreneurs who wished to go into the Yukon and, say, have been discouraged, to your knowledge, because power would not be ready for them for X number of years and therefore they decided to look somewhere else?

[*Interpretation*]

électrique et que cette énergie ferait l'objet de négociations, mais savez-vous s'il y avait eu des entrepreneurs de calibre qui désiraient s'installer dans le Yukon et qui en furent découragés, vu qu'ils ne disposeraient pas de l'énergie nécessaire à leur entreprise avant un certain nombre d'années, et qu'ils ont donc décidé de s'adresser ailleurs?

• 1220

Dr. Carr: I do not know that it was quite as extreme as that. However, several issues arose even during the course of our investigation that indicated that there was a great deal of uncertainty about the future supply of power and about its adequacy for particular enterprises.

Certainly the policy, which I believe is established by legislation, is that power should be supplied on the basis of particular demands, in effect, and that when it is supplied it is supplied at remunerative rates.

We are suggesting that this is not adequate and it may be poorer economics to do it on this basis. If there is adequate potential for economic development, then it can be promoted on the basis that eventually you will more than recoup or at least recoup your investment and will be able to distribute power at a substantially lower cost than on the basis of paying remunerative rates from the beginning when the volume taken is quite small and, of course, costs are relatively high.

M. Carr: Je ne crois pas que la situation ait été telle; toutefois, bon nombre de questions ont été soulevées même au cours de notre enquête, qui nous ont indiqué qu'on était inquiet quant à l'approvisionnement en énergie et à sa suffisance pour les entreprises qui voudraient s'y établir.

Cette politique qui, je crois, a été établie par une mesure législative, stipule que l'énergie doit être fournie si on en fait la demande et que si elle est fournie, qu'elle le soit à un taux rémunérateur.

Nous disons que ce n'est pas suffisant et que ce n'est pas de bonne guerre, sur le plan économique, de procéder ainsi. S'il y a possibilité de développement économique, alors, on peut l'encourager en se fondant sur le fait qu'éventuellement, vous vous trouverez au moins à récupérer, sinon plus, votre investissement et vous pourrez faire la distribution de cette énergie à un prix moins élevé en payant dès le début un taux rémunérateur, que lorsque le volume est assez limité et les taux assez élevés.

Mr. Simpson: This may not be quite the question that you would wish to answer, or be in a position to answer, but all of the members here are vitally concerned with and interested in the operation of NCPC, and I am wondering whether you have come across any instances in your studies where interested investors have shown a desire to go into the Yukon and have not been able to get sufficient encouragement from NCPC that power would be available at any time they wished to go.

M. Simpson: Ce n'est peut-être pas la question à laquelle vous désirez fournir une réponse ou peut-être serez-vous en mesure de le faire, mais tous les honorables députés ici s'intéressent et dépendent de la NCPC. Je me demande alors si vous avez, au cours de vos études, trouvé des exemples où des investisseurs se sont intéressés à aller s'établir au Yukon et n'ont pas été en mesure d'être suffisamment assurés par le NCPC que l'énergie serait disponible dès qu'ils voudraient s'y rendre.

Dr. Carr: I am afraid we did not investigate this aspect. We were concerned with the resources and with the firms that were there; we were not concerned with seeking out firms for development.

M. Carr: Nous n'avons pas étudié cet aspect de la question. Nous avons plutôt fait enquête auprès des sociétés qui s'y trouvaient, sur les ressources disponibles, on n'a pas essayé de se faire le porte-parole d'un tel genre de développement.

Mr. Simpson: I am not being critical when I say this because there are instances in provincial jurisdictions where the public sector has been assisted by the industry themselves in the capital construction of power developments for their eventual use. I was just wondering if NCPC were always in a position

M. Simpson: Je ne critique pas quoi que ce soit lorsque je parle ainsi, parce qu'il y a des cas de compétence provinciale où le secteur public a reçu de l'aide de l'industrie elle-même dans de tels travaux d'immobilisation pour la mise au point d'un service énergétique. Je me demandais si cet organisme était

[*Texte*]

to say at any given moment to an industry, "Well, we can supply you power within a year and a half or two years and that is it, and here are the rates", or whether they have maybe not been in the position and therefore discouraged industry from going into the Yukon.

Dr. Carr: Well, I might say that there has not been any evidence that there was a supply of power to be available for industry or service plants or such that might come along. I do not think that power has ever been supplied particularly with the view of promoting new development, except for a special case.

The Chairman: Are there any further questions on power, gentleman? I have a couple here myself.

Professor Anderson, you have mentioned the need for a good system in the Yukon. Do you foresee a linking-up of this with the B.C. hydro grid system? Would this be immediately advantageous in your view?

• 1225

Professor Anderson: I have to bend a little towards my not very profound understanding of the technology of electrical transmission. If you have power loads of certain sizes, you can transmit power over varying distances. With the gradual build-up of indigenous power sources in the Yukon—we are not talking here about the immediate creation of all the power potential that might ever be needed in the Yukon, but rather a developmental program to advance these—and as the activity in the Tintina Trench moves forward, I see that interprovincial and even international power grids are becoming important. A regional power grid would undoubtedly develop, made administratively much more practicable if you are dealing with one power authority rather than a series of independent power producers.

There are vast blocks of power potential on the upper Liard River that B.C. has already put into its priority list, and it will go ahead. With the vigor of the people of British Columbia, there is no doubt about it. And this is an obvious supply for the whole of the southeastern region of the Yukon, extending towards the northwest as the Tintina Trench builds up, which would then be linked through the existing power lines into the whole Whitehorse complex.

[*Interprétation*]

en mesure de dire à une industrie: «Nous pouvons vous fournir l'électricité dans un an et demi ou deux, à ce tarif.», ou encore, ils n'ont peut-être jamais été en mesure de le faire et ont par conséquent découragé les industries à s'y établir?

M. Carr: Rien n'a été prouvé portant que cette énergie serait disponible pour les industries ou les services ou autres qui pourraient s'y installer. Je ne crois pas que l'énergie ait jamais été fournie d'une façon plus particulière en vue d'encourager de nouveaux développements sauf, disons, dans un cas spécial.

Le président: Est-ce que vous auriez d'autres questions à poser sur l'électricité? J'en aurais quelques-unes à poser moi-même. Professeur Anderson, vous parlez de la nécessité d'avoir un excellent réseau au Yukon. Est-ce que vous prévoyez que ce serait rattaché, disons, au réseau électrique de la Colombie-Britannique? Est-ce que cela présenterait des avantages immédiats à votre avis?

M. Anderson: Je dois avouer que je ne comprends pas tout à fait l'aspect technique de la transmission électrique. Si vous avez, disons, des charges électriques d'une certaine importance, vous pouvez transporter de l'énergie électrique sur des distances variées. Avec l'accumulation graduelle de ces ressources d'énergie au Yukon—on ne parle pas ici de la création dans l'immédiat de toutes ces ressources d'énergie dont nous aurons éventuellement besoin au Yukon, mais plutôt d'un programme de développement pour suivre les progrès—à la suite de ces activités dans la tranchée tontina, je vois que les réseaux électriques interprovincial et même international deviennent de plus en plus importants. Un réseau électrique régional serait mis au point, de façon beaucoup plus pratique sur le plan administratif si vous devez traiter simplement avec une seule commission de l'énergie plutôt qu'avez plusieurs sociétés indépendantes de l'énergie.

Il y a bon nombre de sources d'électricité en amont de la rivière Liard que la Colombie-Britannique a déjà mis sur sa liste de ses priorités. Et avec la vitalité des habitants de la Colombie-Britannique, j'imagine que cela se réalisera. Cela alimenterait toute la région du sud-est du Yukon qui se prolonge vers le Nord-ouest jusqu'à la tranchée de Tontina, qui pourrait être reliée par les lignes électriques qui existent déjà dans tout le réseau de Whitehorse.

[*Text*]

The Chairman: Do you see any immediate use in the Yukon of nuclear power, or in the foreseeable future, in 10, 15 or 20 years?

Professor Anderson: Our consultants looked into this and they expect that sometime over the next decade or perhaps 20 years, there will be improved technology of nuclear power to the point where relatively small plants—relative to the sizes that are now needed—could, indeed, become a valuable source of power.

But at the moment, I understand, technology is not prepared to put any date or size to such an economic unit. There are technical limitations to the use of power from nuclear sources. It needs to be tied in with conventional sources for peaking, standby, all of the other things. At the moment, at least, nuclear power does not stand as a single applicable source of power.

Dr. Carr: I might say, Mr. Chairman, that this is one reason we recommended that the use of coal be investigated. Coal is available and it would fit in with the immediate needs and also fit in well with the future needs in terms of either a hydro or a nuclear development, to support either of those at a later time.

Professor Anderson: It should be pointed out, and it was raised by one of the questioners, that in the present state of knowledge hydro sites are known, but the engineering feasibility of any one of these sites is not known. That is, the actual cost of producing so much power from a given site depends upon the structure underneath so that you can anchor your dam, and there is a whole range of things that have to be investigated site by site, by drilling, by engineering investigations, before the specific cost of capturing a certain number of horsepower from a given hydro site could be known. This is not known in the Yukon. The sites are known, but not the engineering studies necessary to know how to rank these in terms of priority for cost versus potential output.

The same thing is true of coal, even though coal has been known and has been used in the Carmacks Region. Whether or not the coal resources of that region will support a good-sized thermal generating station simply is not yet known.

[*Interpretation*]

Le président: Croyez-vous qu'on puisse utiliser d'ici peu l'énergie thermo-nucléaire au Yukon ou dans un avenir rapproché, dans 10, 15 ou 20 ans?

M. Anderson: Suivant nos experts-conseils qui ont étudié la question, on s'attend que d'ici les dix prochaines années ou peut-être les vingt prochaines années, il y aura une technique améliorée de l'énergie nucléaire à un tel point que des centrales plutôt petites en raison de leur dimension, qui sont nécessaires actuellement, pourraient en effet devenir une source valable d'énergie.

Mais en ce moment, la technologie n'est pas encore au point pour fixer une date ou une dimension à des unités économiques de ce genre. Il y a des limitations sur le plan technique en ce qui concerne l'utilisation de l'énergie provenant des sources nucléaires. Il faut que ce soit rattaché aux sources conventionnelles des ressources de pointe. Pour l'instant, du moins l'énergie nucléaire ne peut être la seule source d'énergie utilisable.

M. Carr: C'est une des raisons pour lesquelles nous avons recommandé que l'on étudie l'utilisation du charbon. Le charbon est disponible et il répondrait aux besoins immédiats et cadrerait très bien avec les besoins éventuels, soit pour le rattacher au perfectionnement des systèmes hydrauliques ou nucléaires, pour aider l'un ou l'autre à un autre moment.

M. Anderson: Il nous faut signaler un fait qui a été soulevé par un des interrogateurs qu'étant donné l'ordre actuel des choses, les emplacements hydrauliques sont connus mais la possibilité technique de tels aménagements ne l'est pas encore. Qu'est-ce qu'il en coûtera pour engendrer telle quantité d'énergie à partir d'un tel emplacement? Tout dépend de notre infrastructure pour l'aménagement du barrage. Donc, il faut faire enquête, sur un grand nombre de choses, emplacement par emplacement, en faisant des forages, en faisant des études techniques, avant de pouvoir savoir ce qu'il en coûtera au juste, pour produire un certain nombre d'années de kilowatts. Ces détails ne sont pas connus au Yukon. Les emplacements sont connus mais les études techniques requises pour l'établissement des priorités par rapport au coût et au rendement possible n'ont pas été faites.

La même observation vaut pour le charbon. Même si le charbon est connu et a été utilisé dans la région des Carmacks. Que les ressources en charbon de ces régions puissent alimenter ou non une station thermale génératrice d'une bonne dimension, nous ne le savons pas encore.

[*Texte*]

• 1230

The Chairman: It has been suggested, professor, that prices for hydro in the Yukon should be deliberately maintained at a higher level outside the centres, outside Whitehorse and the other major centres in the Yukon, simply because it is more efficient and desirable to have people living in as few number of centres as possible in order to give them adequate services, other adequate services as well. What do you think about this suggestion?

Professor Anderson: This is the first time I have heard of it and, frankly, I do not think much of it.

Dr. Carr: There are probably enough other features of the environment there that cannot force them to avoid isolation.

Professor Anderson: It brings in the question of cross-subsidization. If you do not have a power grid but do indeed have a series of power production points, whether it be hydro, diesel, gas turbine, or whatever, and these are not interconnected it would be possible, as was suggested by one of the members—and this occurred in the Province of Saskatchewan—to have the organization such that you would have a uniform power structure regardless of the independent costs at any one point, a cross-subsidization, so that the people who happen to live close to the cheaper power would find it cheaper not because it was cheaper to install but because the installation measured against the load factor gives a low unit cost. It is simply because Whitehorse people, in short, do not gain all of the benefits of their fortuitous location.

Another way to achieve much the same thing, and it has technical advantages as well, is to interlink most of these points with a grid so that power exchanges can go on which could also lead to a uniform power pricing policy. It would have economies of scale because you would not have enough power and standby power in each of these places to supply it, the grid could supply it.

So, it is possible to have an administrative device for uniform power policy without having a physical grid, but the physical grid, granting that you have minimal power consumption to warrant the construction, would economize in the total productive capacity of the area because of the interchange and the peaking economies, and so on. There are

[*Interprétation*]

Le président: Il a été proposé que les prix d'électricité au Yukon devraient être délibérément maintenus à un niveau élevé en dehors des centres, tels que Whitehorse, et les autres grands centres dans le Yukon, uniquement parce que ce serait plus efficace et souhaitable que les gens vivent autant que possible dans quelques centres; de façon à recevoir des services satisfaisants et aussi d'autres services appropriés. Que pensez-vous de cette proposition?

M. Anderson: C'est la première fois que j'en entends parler et à vrai dire, je n'en pense pas grand-chose.

M. Carr: Il y a plusieurs autres caractéristiques du milieu qui ne peuvent les empêcher d'éviter l'isolement.

M. Anderson: Cela nous emmène à la question de la subvention mixte. Si nous n'avons pas de réseau électrique, mais une série de points de production électrique que ce soit hydraulique, diesel, turbine à gaz ou autre et que ceux-ci ne sont pas liés, il serait possible, comme l'a proposé un des membres du Comité, et c'est ce qui s'est produit en Saskatchewan, d'avoir une structure uniforme d'énergie sans tenir compte aux frais en chacun de ces points, une subvention mixte. Les gens qui sont près des centres d'énergie les moins dispendieux non pas parce que l'installation était moins chère mais parce que l'installation déterminée en fonction du facteur charge donne un prix unitaire modique. C'est simplement parce que la population de Whitehorse ne retire pas tous les bénéfices d'un emplacement avantageux.

Une autre façon d'arriver à peu près aux mêmes résultats et qui présente aussi des avantages techniques, c'est de lier la plupart de ces points par un réseau de sorte que les échanges d'énergie électrique peuvent se faire et amener aussi à une structure uniforme des tarifs d'électricité, le facteur entraînerait des économies d'importance parce que vous n'auriez pas besoin d'avoir suffisamment d'énergie électrique et d'énergie de réserve dans chacune de ces localités, pour alimenter ces endroits car le réseau pourrait le faire.

Il est donc possible d'avoir un appareil administratif pour répondre à une politique uniforme en matière d'énergie électrique, sans pour autant avoir un réseau concret d'installations. Mais celui-ci, admettant que vous faites une consommation minimale d'électricité pour garantir la construction, ferait économiser sur le plan de la capacité totale de

[*Text*]
administrative devices which are just as effective economically as some physical devices.

The Chairman: To change the subject slightly, Dr. Carr, the tenor of your report as I understand it is that you now feel that the Yukon is about to take off; that with investments, among other things, we should be directing public investment into power facilities in the Yukon and you feel that the benefits to all of Canada from this will more than make up for the public investment which would be involved in order to give momentum to the forces that are already having an effect in the Yukon.

The other day I heard a comment which I believe was made by the head of the Canadian Transport Commission, Mr. Pickersgill. I do not want to misquote him, but I gathered from what he said that he felt we should wait another 10 or 15 years before we start pouring money into the North. That there are people waiting in the Maritimes and that we should be paying attention to them and not pouring this money up there.

I do not agree with this position, and I hope I have not misquoted his position. I would like to know what you feel about this. Do you feel it is now more advantageous for the Canadian economy generally that we invest money in an area such as the Yukon that is likely to produce a very high return on the investment dollar?

• 1235

Dr. Carr: First of all, to go back to your earlier statement, I do not think we have quite gone to the extent of recommending. As Professor Anderson has suggested, we have not made a comparative study of the returns per investment dollar. We have said that here in our estimation is the potential of growth and it is primarily in minerals and with the services the output will probably move from $50 million to $470 million a year.

However, we have not appraised all the costs of this development. As you may know, they are currently appraising the investment costs for a railway to go through northern British Columbia and the Yukon, which fits in very well with the kinds of recommendations we make. The other costs for power, highways, and such, are very substantial. We have just not made any comparison with other regions.

[*Interpretation*]
la production dans la région, à cause des économies de jonction et des économies de pointe et ainsi de suite. Il y a des moyens administratifs qui sont tout aussi efficaces sur le plan économique, que certains moyens matériels.

Le président: Je vais changer un peu de sujet. Monsieur Carr, d'après le contenu de votre rapport, vous croyez que le Yukon est sur le point de connaître une expansion, qu'il a besoin entre autres d'investissements et que nous devrions intéresser la population à y investir dans les installations électriques et vous croyez que les avantages pour tous les Canadiens compenseront de beaucoup l'investissement du secteur public, qui sera nécessaire pour assurer la mise en valeur du Yukon.

L'autre jour, j'ai entendu une observation qui, je crois, a été faite par le président de la Commission canadienne des transports, M. Pickersgill. Je n'aimerais pas commettre d'erreur en le citant mais il a dit qu'il croyait que nous devrions attendre dix à quinze ans avant d'investir dans le Grand Nord canadien. Pendant que les gens attendent dans les maritimes, nous devrions nous intéresser à eux et non pas investir cet argent dans le Grand Nord.

Personnellement, je ne partage pas son opinion et j'espère ne pas avoir mal interprété ce qu'il a dit. J'aimerais bien savoir ce que vous en pensez. Croyez-vous qu'il soit plus avantageux pour les Canadiens en général d'investir dans une région comme le Yukon, qui va, semble-t-il donner en retour des avantages financiers assez considérables?

M. Carr: Tout d'abord, pour revenir à votre première déclaration, je ne crois pas que j'irais jusqu'à faire une proposition. Comme le professeur Anderson l'a fait remarquer, nous n'avons pas fait une étude comparative des avantages reçus par dollar investi. Mais, selon nous, voici le potentiel de croissance qui s'appuie d'abord sur les mines, et avec les services la production ira probablement de 50 millions de dollars à 470 millions de dollars par an.

Nous n'avons pas toutefois estimé tous les coûts de la mise en valeur. Comme vous le savez peut-être, il y a une évaluation constante des coûts d'investissement pour le réseau des chemins de fer qui traverse la Colombie-Britannique et le Yukon, qui cadre très bien dans le genre de recommandations que nous formulons. Les autres coûts pour l'électricité, les routes, etc., sont très élevés. Nous n'avons pas fait de comparaison avec d'autres régions.

[*Texte*]

If I might refer to Mr. Pickersgill, he also suggested that he was not questioning our estimates because we had not made any comparisons, and I think he said that this is what was needed to be done. We quite agree. We agree it is a matter of public policy to decide which area or region should be developed, and sometimes there are political considerations.

Right now I believe, as you do, that the North requires some special attention for this reason. In terms of economic gain alone this is a question that needs study. There is a vast region, however, involved here.

If you look at the resources in this whole region you will see that the potential is rather tremendous, especially with respect to minerals, oil, as such. In many respects this is the last great frontier for development that we have in Canada, and quite a few of us know the great benefits from exploiting our frontier. We have had quite a few in Canada, and it is beneficial to the rest of Canada to have such a frontier developed.

The Chairman: I would like to pin you down a little bit more than this, Dr. Carr, if I may. Do you feel that dollars invested in the Yukon—we will stick to the Yukon for the moment—by the Canadian public through its government will return to the Canadian public, by way of the many ancillary benefits which you mentioned in your earlier remarks, a more substantial return than you would get, for example, from investing in public services in the Maritime Provinces?

Dr. Carr: It happens that we have done a bit of study on the Maritimes and I believe that in the long pull the returns would certainly be greater. I must qualify this by saying that we have not appraised the costs. We hope that the development of a railroad through northern British Columbia to the Yukon border can be supported by the traffic in forest and mineral products in British Columbia. However, that has not been verified yet. If there were going to be excessive investment costs, and such, over the revenues for a railway like that it would perhaps be a continuing burden, or one could visualize it as being a continuing burden on the rest of Canada for all time. I am not sure what the situation on this would be.

These are the kinds of things, because of the vast distances that are involved in trans-

[*Interprétation*]

Si je puis faire allusion à la déclaration de monsieur Pickersgill, je crois qu'il a aussi dit qu'il ne doutait pas à toutes nos prévisions de défense parce que nous n'avions établi aucune comparaison et je pense qu'il a dit que c'était ce qui devait être fait. Nous sommes tout à fait d'accord. Nous convenons, bien sur, que c'est une question de politique, c'est-à-dire qui décidera du Territoire ou de la région à développer. Et parfois, il faut aussi tenir compte de certaines considérations politiques.

Pour l'instant, je crois, tout comme vous, que le Grand Nord demande une attention spéciale pour la raison suivante. Pour l'avantage économique seulement; c'est une question qu'il faut examiner. Il y a assurément une grande région en cause.

Si on regarde les ressources de toute cette région, vous vous rendez compte qu'il y aura une richesse incroyable, pour le pétrole, les minéraux, etc. Et sur bien des aspects, c'est la dernière grande frontière à mettre en valeur au Canada et plusieurs d'entre nous connaissent bien les grands avantages à retirer de la mise en exploitation de notre frontière. Nous en avons eu plusieurs au Canada et dans l'intérêt du public, il est bon de faire cette exploitation.

Le président: J'aimerais que vous précisiez un peu plus monsieur Carr. Croyez-vous que l'argent investi dans le Yukon—nous nous intéressons au Yukon pour l'instant—par le public canadien, par l'entremise de son gouvernement, offrirait des bénéfices à ce même public sous la forme des nombreux avantages accessoires que vous avez parlé tantôt, un profit plus important que l'argent investi, par exemple, dans les services publics des provinces Maritimes?

M. Carr: Nous avons fait une étude sur les Maritimes et je crois que les avantages dans l'ensemble y seraient certainement plus élevés. Je dois mettre sous réserve le fait que nous n'avons pas fait l'évaluation des coûts. Nous espérons que l'installation d'un chemin de fer du nord de la Colombie-Britannique jusqu'à la frontière du Yukon, pourrait être appuyée par la circulation routière et les produits minéraux en Colombie-Britannique. Mais cela n'a pas encore été vérifié. S'il devait y avoir aux frais d'investissement excessifs, qui dépasseraient les recettes d'un tel réseau ferroviaire ce serait peut-être un fardeau continuel et on pourrait même imaginer un poids permanent pour le reste du Canada. Je ne suis pas sûr de ce que serait la situation à ce sujet.

Ce sont des éléments dont il faut tenir compte lorsque le transport doit se faire sur

[*Text*]

portation services, that one has to consider. Perhaps Professor Anderson has something to add on this point as well.

Professor Anderson: In response to your question, Mr. Chairman, I would like to make what I suppose would be a statement, and I do not bind my colleague, Dr. Carr, in this; it is a personal statement. One of the reasons that I am here is that I have an immense respect for the political processes in a democratic country—and that is not just a platitude. As an economist I would hate to think that all decisions in this country were subjected solely to an economic calculus or a financial calculus.

The report that you referred to, a speech made by the President of the Canadian Transport Commission also said this: that the same sum of money, that is the money that we have said it will take to develop the Yukon as we see its potential, could also build some 65,000 single-family dwellings and might finance the construction of many times that number. As an economist who did a study in the Yukon it is not my responsibility but it is your responsibility, as parliamentarians, to decide whether Canada needs 65,000-plus dwellings with this kind of money or whether Canada, in its longer term, will be better off to have invested this kind of money, publicly and privately—we are not just sticking to the public sector because private investment is also involved—in the Yukon for a return which we feel relatively confident is justified—$1.4-plus billion private and public should yield buying things which we cannot calculate over not too long a time something of the order of half a billion dollars addition to the gross national product in Canada and, indeed, the multiplier effects of that will be even greater.

But, gentlemen, you know better than do I that this will not solve the problems of urban congestion and urban deprivation and pollution and all of these other things. I beg to defer to you; I will give you to the extent of my professional knowledge the best information I can give you about relative projects but in the final analysis, the political process in this country must decide on these questions.

The Chairman: A supplementary, Mr. Dinsdale, and Mr. Borrie.

Mr. Dinsdale: I am sorry I have not been able to get into this discussion earlier. I have been attending to cultural frontiers in the Broadcasticg, Films and Assistance to the Arts Committee but I want to say by way of

[*Interpretation*]

une très grande distance. M. Anderson pourrait peut-être ajouter quelques mots à ce sujet.

M. Anderson: En réponse à votre question, monsieur le président, j'aimerais faire une déclaration, mais je n'engage pas mon collègue. C'est une opinion bien personnelle. En fait, j'ai beaucoup de respect pour les méthodes politiques dans un pays démocratique et ce n'est pas une niaiserie. En tant qu'économiste, je ne voudrais pas que toutes les décisions dans ce pays soient assujetties seulement à des calculs économiques ou financiers.

Le compte rendu auquel vous vous êtes reporté, le discours du président de la Commission canadienne des Transports, indique également que le même montant d'argent, c'est-à-dire celui qu'il faut pour mettre en valeur le Yukon d'après les ressources que nous y voyons, pourrait aussi construire environ 65,000 habitations unifamiliales et financer la construction d'un nombre plusieurs fois plus grand. En tant qu'économiste, qui a fait une étude sur le Yukon, il ne revient pas à moi mais à vous, en tant que membres du Parlement, le soin de décider si le Canada a plus besoin de 65,000 habitations ou si, à long terme, il ne serait pas préférable d'investir cet argent, que ce soit de façon publique ou privée. Nous ne nous en tenons pas au secteur public parce que l'investissement privé est aussi impliqué dans le Yukon, en vue d'un profit que nous croyons tout à fait justifié—c'est-à-dire 1.4 milliard de dollars qui devraient rapporter—pour acheter des articles qu'on ne peut calculer sur une période trop longue, quelque chose comme un demi-milliard de dollars qui s'ajoutent au produit national brut du Canada. Évidemment les effets multiplicateurs en seront encore plus importants.

Mais, messieurs, vous savez mieux que moi que cela ne résoudra pas les problèmes de la pollution, de l'encombrement urbain, etc., mais, au meilleur de ma connaissance, je vous donnerai tous les renseignements que je tiens à ce sujet, mais en fin de compte ce sont les parlementaires eux-mêmes qui doivent trancher la question.

Le président: D'autres questions, monsieur Dinsdale et monsieur Borrie.

M. Dinsdale: Je regrette de n'avoir pu participer à la discussion auparavant. J'étais au Comité permanent de la radiodiffusion, des films et de l'assistance aux arts où on étudiait les barrières culturelles dans le domaine de la

[*Texte*]

preface that I heartily agree with the optimistic flavour of the discussion that is taking place here thus far and in particular the comments of Professor Anderson. The point that our Chairman raised I think is an important point with reference to transportation facilities in the North because our friend, Mr. Pickersgill, had precisely the same attitude towards the Pine Point Railway.

Mr. St. Pierre: And Roberts Bank.

Mr. Dinsdale: And Roberts Bank, yes. I think the thesis that has just been outlined by Professor Anderson, applied in that instance, was borne out. Transportation is important in all parts of the North and I am wondering if the witnesses would care to comment on the desirability of further rail transportation within the North, particularly to bring into production the rich iron ore deposits up in the Northwest Territories, the Yukon border and the Pelly River area. Would you compare that in its economic impact with the Pine Point in the Great Slave Lake area, for example?

• 1245

Dr. Carr: I would like Professor Anderson to speak on this too but we investigated this quite thoroughly because they are large volumes and it would make quite a difference on the traffic involved in railway transportation.

We found that under present technology and present market conditions the discoveries of iron ore in Australia have had a tremendous impact on the prices that are available for this. But it could not quite be economic and the companies themselves have concluded this under the present conditions of technology, and this is reaching rather far toward beneficiation of the ore—up to 85 per cent or this sort of thing—so it is a rather pure iron content compared to most ore. But we did not include this in our estimate projection of the mineral potential.

Mr. Dinsdale: Could an extension of the railway into that territory be integrated with the existing White Pass and Yukon Route railway? Its narrow gauge is a special problem. For example, would containerization resolve that difficulty to any great extent?

Dr. Carr: I might mention that the main body of minerals is in Tintina trench, the vicinity which runs from about Watson Lake. It is an extension of the Rocky Mountain trench, of course—the Tintina trench up through Pelly River and Dawson and on,

[*Interprétation*]

radiodiffusion. J'aimerais pourtant dire, en guise de préface, que j'approuve de tout cœur l'allure optimiste de la discussion et en particulier les commentaires du professeur Anderson. La question que monsieur le président a soulevée est fort importante en ce qui concerne les moyens de transport dans le Nord. Je crois que monsieur Pickersgill avait précisément la même attitude à propos du chemin de fer Pine Point.

M. St-Pierre: Et de Roberts Bank.

M. Dinsdale: Aussi. Je crois que la thèse que vient d'élaborer le professeur Anderson, et appliquée dans ce cas, était justifiée. Les moyens de transport sont importants dans tout le Grand Nord et je me demande si les témoins pourraient parler de l'avantage d'un autre réseau ferroviaire dans le Grand Nord surtout aux fins d'accélérer la production des riches mines de fer dans les Territoires du Nord-Ouest, la frontière du Yukon et la région de la rivière Pelly. Pourriez-vous comparer son incidence économique à celle du Pine Point dans la région du Grand Lac des Esclaves, par exemple?

M. Carr: J'aimerais que le professeur Anderson en parle aussi. Nous avons approfondi cette question parce qu'ils sont nombreux et cela pourrait faire une grande différence sur le trafic ferroviaire.

Nous avons constaté que dans l'état de la technologie actuelle et des conditions du marché, la découverte de gisements de fer en Australie a beaucoup influencé le prix de ce minerai. Il ne pourrait pas être économique et les compagnies elles-mêmes en ont décidé, dans la conjoncture actuelle, de concentrer les minerais jusqu'à 85 p. 100, ce qui représente un fer assez pur par rapport aux autres minerais. Nous n'avons pas tenu compte de ces faits dans nos extrapolations sur les minerais.

M. Dinsdale: Croyez-vous que le prolongement du chemin de fer dans ce territoire puisse être intégré au chemin de fer actuel *White Pass and Yukon Route*? Son gabarit étroit pose un problème spécial. Est-ce que la mise en récipient résoudrait la difficulté, dans une certaine mesure?

M. Carr: J'aimerais indiquer que le principal gisement de minerai se trouve dans la tranchée Tintina, région voisine de Watson Lake. C'est un prolongement de la tranchée des Montagnes rocheuses—la tranchée Tintina jusqu'à la rivière Pelly et Dawson et au-

[*Text*]

whereas the main iron ore is up in this vicinity and would still have quite a substantial distance to travel through rather rugged mountainous country. As you may know, a study has been made of the possibilities of running a railway from there down through Whitehorse and connecting on; in fact, running it right to Skagway because the White Pass and Yukon Route railway was considered inadequate for the volumes that would be carried. It was possible but the cost of this and the cost of transportation were considered to be excessive.

The Chairman: Mr. Borrie has a supplementary.

Mr. Borrie: Mr. Chairman, a moment ago we were talking about people with various ideas of where our priorities lie, and my question is to either one of the witnesses. Do you feel that more self-determination by the legislative body in the Yukon would, in fact, assist with the orderly development of the Yukon, or does it have to stay entirely under the wing of the federal government? Would such a legislative body encourage development of the Yukon much more?

Dr. Carr: This was not a part of our special study.

Mr. Borrie: No, I realize this.

Dr. Carr: We found there is a good deal of emphasis in briefs put on these questions, however, but in the main the one that pays the piper must call the tune, I think. So long as the great dominance of financing is from the federal government, then of necessity the distribution of responsibility must be in relation to that. The other problem, of course, is the size of the entity, which is a great handicap in terms not only of gross output but in population and such.

• 1250

Mr. Borrie: Either that or else go along with the proposal of economic regions of Premier Bennett and Premier Strom—extension of the provincial boundary.

Dr. Carr: We have not made a choice among those yet.

Professor Anderson: I was going to offer something in response to your question which might prohibit me from ever getting back into the Yukon safely. I have reservations, based on my earlier remarks, about something approaching provincial status.

[*Interpretation*]

delà—vu que le principal gisement de fer se trouve dans cette région et qu'il y aurait encore une grande distance à parcourir à travers une contrée de hautes montagnes, on a fait une étude sur la possibilité d'aménager un chemin de fer qui irait jusqu'à Whitehorse et où il y aurait jonction. En fait, en allant jusqu'à Stagway parce que la compagnie de chemin de fer White Pass and Yukon Route était impropre à transporter en si grande quantité le minerai. La chose était réalisable, mais le coût de la construction du transport a été jugé excessif.

Le président: Monsieur Borrie a une question supplémentaire.

M. Borrie: Monsieur le président, il y a un instant nous parlions de gens qui avaient différentes opinions au sujet des priorités. J'aimerais demander à un des témoins: Croyez-vous qu'une plus grande autodétermination du corps législatif dans le Yukon pourrait aider au développement ordonné du Yukon ou doit-il rester sous l'aile protectrice du gouvernement fédéral? Est-ce qu'un tel corps législatif au Yukon stimulerait plus le développement de cette région?

M. Carr: Cela ne faisait pas partie de notre étude.

M. Borrie: En effet, je le constate.

M. Carr: Nous avons constaté que certains mémoires ont beaucoup mis l'accent sur ces questions mais, pourtant, celui qui paie a bien le droit de choisir. Aussi longtemps que le gouvernement fédéral sera la principale source de financement, le partage des responsabilités doit alors être en rapport avec cet état de choses. L'autre problème, bien sûr, c'est la grandeur de ce territoire qui constitue un fort handicap non seulement pour la production mais aussi pour la population.

M. Borrie: Est-ce que vous convenez des propositions relatives aux régions économiques faites dans un autre rapport des premiers ministres Bennett et Stran au sujet de l'extension des limites provinciales?

M. Carr: Nous n'avons pas encore apporté une réponse à cette question.

M. Anderson: J'étais pour répondre à votre question d'une manière qui m'empêcherait peut-être de revenir en toute sécurité au Yukon. J'apporte quelques réserves basées sur mes observations antérieures concernant quelque chose qui s'approche du statut provincial.

[*Texte*]

This is an extractive economy. It will always be based on extractive processes of large scale. This means that in terms of population and in terms of the whole range of other kinds of activity which we normally associate with a province, there will likely not be that kind of development. All of the activity will be mineral oriented or service oriented to the people who are mineral oriented, and I suspect that population growth will be very modest. Let me say quite frankly that I worry about representatives of the people elected by constituencies as small as 500 to 1500 sitting down to work out a minerals deal in the board rooms of California. I do not know what kind of a deal can be made under those circumstances. Frankly, I worry about the benefits of Canadian resources going in an undue fashion outside the country.

Mr. Dinsdale: Have either of these witnesses been invited to the Northern Resource Conference in Whitehorse? Are you going in?

Mr. Borrie: If I might finish this off, on page 319 there was impressive evidence of general enthusiasm and so forth that the top enterprise people at the Yukon had attracted and held. I asked this question because of the high regard you appeared to have for the people involved in the development of the Yukon. Now does this not apply in respect of the Territorial Legislative Council as well?

Dr. Carr: Is that a fair question?

Mr. Borrie: No, it is not really a fair question, Mr. Chairman, and I will withdraw it.

The Chairman: Mr. Southam indicated he had a question.

Mr. Southam: Mr. Chairman, I realize we are running out of time, but I would like to join with other members of the Committee in expressing the thought that we have had a very useful discussion here this morning on development of the North. I have been very happy to hear Dr. Carr and Professor Anderson's comments.

I would like to ask a couple of relative questions that perhaps have been touched on. Of course the discussion is based around the pros and cons of a great deal of social capital versus private capital. I was interested in Professor Anderson's remarks regarding the infrastructure of a developing area. Of course, this is a very important factor in an area like the North where the population is

[*Interprétation*]

Il s'agit d'une économie fondée sur l'extraction—d'ailleurs elle le sera toujours—sur une grande échelle—ce qui signifie que pour la population mais aussi pour toute la gamme des activités généralement liées à une province, il n'y aurait probablement pas cette sorte d'évolution. Toute l'activité sera toujours centrée sur les mines et les services seront orientés de façon à répondre aux personnes qui vivent dans ce milieu, et la croissance de la population, pour moi, sera assez modeste. Je dirais même franchement que je m'inquiète au sujet des représentants du peuple élus par des circonscriptions dont la population n'est que de 500 à 1,500, qui vont s'asseoir dans les salles de conseil en Californie pour traiter d'affaires de minéraux. Je ne sais pas, au juste, ce qu'on peut trancher dans de telles réunions. Voilà ce qui me préoccupe; ce qui pourrait arriver, c'est que nos ressources canadiennes bénéficient à des étrangers.

M. Dinsdale: Est-ce que l'un ou l'autre des témoins a été invité à la Conférence des ressources septentrionales à Whitehorse? Y allez-vous?

M. Borrie: Si vous voulez bien me permettre de terminer, à la page 319, il y a une preuve impressionnante de l'enthousiasme et ainsi de suite que les principaux entrepreneurs au Yukon ont attiré et retenu. J'ai demandé cette question à cause de la grande estime que vous semblez porter aux gens qui s'intéressent au développement du Yukon. Est-ce que cela ne s'applique pas tout autant au Conseil législatif du Territoire?

M. Carr: Cette question est-elle équitable?

M. Borrie: Non, je ne crois pas que ce soit une question équitable et je la retire, monsieur le président.

Le président: M. Southam a indiqué qu'il avait une question.

M. Southam: Monsieur le président, je réalise qu'il ne me reste plus beaucoup de temps, mais je voudrais souscrire à l'opinion des autres membres du Comité, voulant que la discution ce matin ait été fort utile quant à la mise en valeur du Grand Nord, et je suis très heureux d'entendre le professeur Anderson et monsieur Carr, commenter à ce sujet.

J'aimerais poser deux questions relatives qui ont peut-être été abordées auparavant. Bien entendu, la discussion porte sur le pour et le contre d'une grande quantité de capital social contre le capital privé. Je me suis intéressé à la remarque du professeur Anderson au sujet de l'infrastructure d'une région en développement. Bien entendu c'est une chose fort importante dans une région telle que le

[*Text*]

so sparse. Would it be fair to infer, Professor Anderson, that it would be more practical for the time being to continue development by social capital input rather than private capital input in order to accelerate that development? I know that you have not specifically answered that quesion, but this is the inference I get from the tenor of the remarks this morning. In other words, it takes a vast amount of capital—and private capital sometimes does not have it available—to develop an area with the infrastructure that we have there.

Dr. Carr: As we suggest, there is room for half a billion of private capital, in our estimate, as against about $900 million of public capital, but this public capital is basically for the infrastructure to provide the foundation that Professor Anderson was speaking about.

Mr. Southam: Then I have not taken the right inference from your remarks regarding infrastructure. In other words, there is a vast difference in infrastructure, as you refer to it in the North, compared with a saturated population area like Ontario.

Dr. Carr: That is why so much public capital needs to go in at the beginning, but afterwards it will be more private capital.

Mr. Southam: Coming back again to the survey of potential power sites, you mentioned a vast potential there but that there has not been any actual engineering surveys in depth showing the cost of developing these power sites. Would you recommend that this be done and that government policy should dictate that it be done as soon as possible in order to further develop the economic possibilities of that area?

Dr. Carr: We would probably give priority to exploring the potential for coal—thermal plants. These could go hand in hand; for that matter, they should go hand in hand.

Mr. Southam: My question is based on the normal assumption that power and communication are of course two of the basic essentials to development in any area and that we should have all the best information available ahead of time in this respect.

Mr. Dinsdale questioned regarding the development of the railway. Now as a member of the Committee which went into the North I fully appreciate, and I think other members

[*Interpretation*]

Grand Nord où la population est si dispersée. Serait-il juste de conclure, professeur Anderson qu'il serait plus pratique pour le moment de continuer la mise en valeur en attirant le capital social plutôt que le capital privé pour accélérer le développement de ce secteur? Je sais que vous n'avez pas tout à fait tranché la question, mais c'est ce que j'ai cru comprendre de vos remarques, ce matin. Autrement dit, il faut beaucoup de capitaux du secteur privé, et celui-ci n'en dispose pas toujours pour établir les infrastructures nécessaires.

M. Carr: Comme nous le suggérons, il pourrait y avoir un investissement de 0.5 milliards venant du secteur privé au regard de 900 millions de dollars venant du secteur public, mais la part du secteur public est fondamentalement destinée à l'infrastructure qui fournira la base dont parle le professeur Anderson.

M. Southam: Comme cela, j'ai peut-être mal interprété vos propos au sujet de l'infrastructure. Autrement dit, il y a beaucoup de différence entre l'infrastructure dans le Grand Nord et l'infrastructure dans une région peuplée telle que l'Ontario.

M. Carr: Bien sur, c'est justement pourquoi la part du secteur public doit être si importante, par rapport à la part du secteur privé, qui viendra à augmenter.

M. Southam: Pour en revenir à la question d'énergie électrique et l'étude des emplacements hydrauliques, vous avez mentionné un fort potentiel dans cette région, mais qu'il n'y a pas eu d'études techniques approfondies quant au coût d'aménagement de ces emplacements. Est-ce que vous recommandez que cela soit fait et que le gouvernement le fasse le plus tôt possible pour accélérer l'expansion économique de ce secteur?

M. Carr: Nous donnerions probablement la priorité à l'exploration du potentiel des centrales thermiques au charbon. Ces études pourraient sans doute être faites côte à côte; comme question de fait elles devraient être faites côte à côte.

M. Southam: Ma question se fonde sur la supposition normale que l'électricité et les communications sont des choses essentielles pour le développement, et que nous devrions disposer de renseignements les plus précis possibles à ce sujet. Pour ce qui est de la question posée par M. Dinsdale, quant à l'aménagement des services ferroviaires. Je fais partie d'un Comité qui s'est rendu dans le Grand Nord, et j'ai pu me rendre compte,

[*Texte*]

do too, that although the extractive industry is basic the second of major importance is the tourist industry. This brings up the question of the further development of the Alaska Highway and the paving of it to encourage people to go up into that area and spend their tourist dollars. There is a terrific potential up there for the tourist industry as well. Was any consideration given by your committee in this respect, or was it just dealing with power?

Dr. Carr: No, we covered all resources including the tourist industry. Our recommendation on the Alaska Highway was for progressive improvement, starting with dust control, progressively paving those more difficult parts, and so on.

Mr. Southam: I understand from talking with people who have pioneered trips up past the area that was paved and further north into Alaska that they have nothing but acclaim for the beauty of the country and its tourist potential but they would not want to make a return trip under present conditions because of roads and wear and tear on cars. Here, again, is an area that we should be thinking very seriously of. As mentioned by Mr. Pickersgill, the completion of the paving of this road would represent quite an investment in dollars. However, I think that the capital and potential return to the economy of that area and to the general economy of Canada would be terrific. It is something that we should be giving serious consideration to and I just wondered what your opinion was on that particular point.

Dr. Carr: There was a special study made of this by the Stanford Research Institute in 1966-67 and it concluded that it was not justified.

I think our recommendations are probably more economically sound in that regard. We recommend a rather slower rate of paving but the use of binders to cut the dust down. The gravel road is not too difficult if the dust is laid. Of course we found also that the binders would prevent the gravel being thrown off and would save more than the binders probably would cost in terms of gravel and maintenance costs. This is something that would be feasible and could progress in this direction.

Mr. Borrie: Mr. Chairman, my observation on that is that the cost of paving the Alaska Highway runs between $200 million and $300 million and that there is a very extensive

[*Interprétation*]

comme bien d'autres députés, je crois, que l'industrie de l'extraction est fondamentale; elle est suivie par l'industrie touristique. Peut-être faudrait-il moderniser et paver la route de l'Alaska pour inviter les touristes à venir dans cette région et y dépenser leur argent. Les possibilités y sont formidables pour l'industrie touristique. Votre Comité a-t-il considéré cette possibilité, où s'est-il simplement intéressé à l'énergie électrique?

M. Carr: Non, nous avons étudié toutes les ressources, y compris l'industrie touristique et notre recommandation portait justement sur le réseau routier de l'Alaska; nous avons proposé qu'il soit amélioré progressivement, à partir du contrôle de la poussière, qu'il soit pavé progressivement aux endroits les plus difficiles, etc.

M. Southam: D'après les gens qui ont fait œuvre de pionniers et se sont aventurés au-delà de la partie qui est pavée et plus au nord en Alaska, ils n'ont que de l'admiration pour la beauté du pays et ses possibilités touristiques, mais ils ne voudraient pas y retourner à cause du présent état des routes et des dommages à leurs voitures. Je répète, nous avons là une région qu'il faut considérer très sérieusement. Comme l'a déclaré M. Pickersgill, l'achèvement du pavage de cette route représente un investissement considérable en dollars. Toutefois, je crois que les bénéfices en capitaux et en possibilités pour l'économie de la région et du Canada tout entier seraient formidables. C'est une question qu'il nous faut considérer sérieusement et je me demandais quelle était votre opinion à ce sujet.

M. Carr: Il y a eu une étude spéciale faite à ce sujet en 1966 et 1967 par le Stanford Research Institute; cette étude a conclu qu'il n'était pas justifié. Notre recommandation, je crois, est probablement plus valable sur le plan économique. Nous recommandons le pavage à un rythme plus ralenti, mais aussi l'usage d'agrégats pour réduire la poussière. Une route en gravier n'est pas si mal si la poussière est réduite. Bien entendu, nous avons aussi constaté que les agrégats empêcheraient le gravier d'être poussé dans les champs et économiseraient plus d'argent que leur coût, si on considère le coût du gravier et de l'entretien. C'est une chose qui est possible et progressive.

M. Borrie: Monsieur le président, j'aimerais souligner que le coût du pavage de la route de l'Alaska s'élèvent aux environs de 200 à 300 millions de dollars et que le ministère des

[*Text*]

program of binding going on this year by the Department of Public Works.

The Chairman: It is now 1 o'clock. Before asking for a motion for adjournment I would like to draw members' attention to the CBC Festival program coming up next Wednesday, March 26th. Paul St. Pierre is the author of a play called "Sister Balonika" which will be on for the full 90 minutes of the Festival program.

The subject is an Indian school in the Yukon and the star is Nancy Sandy, a Shuswap Indian. She played Phyllistine in an award-winning play some years ago called, "The Education of Phyllistine".

May I have a motion for adjournment?

Mr. Cullen: I move the meeting adjourn.

[*Interpretation*]

Travaux publics poursuit cette année un programme poussé d'agrégation.

Le président: Il est maintenant une heure. Avant de demander une motion d'ajournement, qu'il me soit simplement permis de signaler, à l'attention des membres du Comité, l'émission Festival de Radio-Canada du mercredi 26 mars. Paul Saint-Pierre est l'auteur d'une pièce intitulée «Sister Balonika»; elle sera reprise dans le cadre de l'émission «Festival», qui durera 90 minutes.

L'action se passe dans une école indienne au Yukon; le rôle vedette sera incarné par Nancy Sandy, indienne Shuswap, qui joua le rôle titre dans une pièce primée, il y a quelques années, appelée *L'Éducation de Phyllistine*.

Nous sommes saisis d'une motion d'ajournement.

M. Cullen: Je propose que la séance soit levée.

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

LIBRARY
MAY - 1 1969
UNIVERSITY OF TORONTO

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 15

THURSDAY, MARCH 20, 1969

LE JEUDI 20 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29977—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — Président
Vice-Chairman — Mr. Paul St-Pierre — Vice-Président

and Messrs.
et Messieurs

Borrie,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,

Michael B. Kirby,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

THURSDAY, March 20, 1969.
(16)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:20 a.m. The Vice-Chairman, Mr. St. Pierre, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Yewchuk—(14).

Witnesses: From Canadian Arctic Producers Ltd.: Mr. Eric Mitchell, General Manager, and Mr. Bruce Pearson, Economic Consultant; *From the Department of Indian Affairs and Northern Development:* Mr. J. W. Churchman, Director, Indian-Eskimo Economic Development Branch.

The Vice-Chairman called Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow the Committee to deal with the subject Handicrafts.

The Vice-Chairman introduced the witnesses and after each had made a statement, they were questioned.

During questioning,

On motion of Mr. Simpson, it was

Agreed,—That the Brief by Canadian Arctic Producers Ltd. be printed as an appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix M*)

Later, it was

Agreed,—That Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70, be allowed to stand.

At 1:10 p.m., on motion of Mr. Dinsdale, it was

Agreed,—That the Committee adjourn to the call of the Chair.

PROCÈS-VERBAUX

Le JEUDI 20 mars 1969.
(16)

(*Traduction*)

Le Comité permanent des Affaires indiennes et du Nord Canadien se réunit à 11h. 20 ce matin sous la présidence de M. St. Pierre, vice-président.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Yewchuk—(14).

Témoins: de la Canadian Arctic Producers Ltd.: MM. Eric Mitchell, directeur général, et Bruce Pearson, conseiller économique; *du ministère des Affaires indiennes et du Nord canadien:* M. J. W. Churchman, directeur de la Direction du développement économique des Indiens et des Esquimaux.

Le vice-président met à l'étude le Crédit 1—Administration, du budget du ministère des Affaires indiennes et du Nord Canadien pour l'année financière 1969-1970, de façon à permettre au comité d'étudier la question de l'artisanat.

Le vice-président présente les témoins et après l'exposé de chacun, on les interroge.

Durant la période de question,

sur une motion de M. Simpson,

il est convenu, d'imprimer le mémoire de la *Canadian Arctic Producers Ltd.* en annexe du compte rendu d'aujourd'hui. (*voir l'Annexe M*)

Il est aussi convenu que le Crédit 1—Administration, du budget du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970 soit réservé.

A 13h.10, sur une motion de M. Dinsdale,

il est convenu que le Comité s'ajourne jusqu'à nouvelle convocation du président.

Clerk of the Committee.

Michael B. Kirby,

Le secrétaire du Comité,

29977—1½

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, March 20, 1969

• 1115

The Vice-Chairman: Gentlemen, I see a quorum.

I now call Item 1 of the Estimates of the Department of Indian Affairs and Northern Development for 1969-70.

Department of Indian Affairs and Northern Development

1 Departmental Administration including Northern Scientific Research, and Grants as detailed in the Estimates, $6,465,900

This will allow the Committee to consider the subject of handicrafts, gentlemen.

We are to have two witnesses before us this morning, although one of them has been held up by fog in Toronto.

The witness who is present is Mr. Eric Mitchell, General Manager of Canadian Arctic Producers. It may interest the Committee to know that Mr. Mitchell is a former Hudson's Bay post manager of several operations in the Arctic. He has been here since 1965, and his present position is General Manager of Canadian Arctic Producers.

Our second witness—if he comes through the fog of the day—will be Mr. Bruce Pearson. I will introduce him when and if he arrives.

Mr. Mitchell, would you like to make a general statement?

Mr. Eric Mitchell (General Manager, Canadian Arctic Producers): Gentlemen of the Committee, we submitted a written brief which you may, or may not, have at this point, but I would like to take this opportunity more or less to emphasize some of the items that have been outlined in the written brief.

There became apparent about 1963 the need of a central marketing organization to handle the production of Indian and Eskimo arts and crafts for the Northwest Territories. The various co-ops that existed at that time had neither the resources nor the ability to develop a market for themselves, or to establish a market price for their products.

[*Interprétation*]

TÉMOIGNAGES

[*Enregistrement électronique*]

Le jeudi 20 mars 1969

Le vice-président: Messieurs, nous avons le quorum. Nous allons étudier le crédit 1 du budget du ministère pour 1969-1970.

Ministère des Affaires indiennes et du Nord canadien.

1 Administration centrale, y compris, des recherches scientifiques sur le Grand Nord et des subventions selon le détail des affectations, $6,465,900.

Cela permettra au Comité d'étudier l'artisanat.

Nous devons avoir deux témoins ce matin, quoique l'un ait été retardé par le brouillard à Toronto.

Le témoin présent est M. Eric Mitchell, gerant général de la «Canadian Arctic Producers». Ce qui intéressera peut-être le Comité, c'est de savoir que M. Mitchell est un ancien gérant de comptoir de la compagnie Hudson's Bay dans l'Arctique. Il est là depuis 1965 et son poste actuel est gérant général de la «Canadian Arctic Producers».

Notre second témoin, s'il parvient à venir, sera M. Bruce Pearson. Il se présentera lorsqu'il arrivera.

M. Mitchell est-ce que vous désirez faire une déclaration?

M. Eric Mitchell (gérant général, Canadian Arctic Producers): Messieurs, nous avons présenté un mémoire par écrit que peut être vous avez en mains en ce moment. J'aimerais profiter de cette occasion pour faire ressortir les points saillants du mémoire.

Il est devenu apparent vers 1963 qu'il fallait établir une organisation centrale de commercialisation des produits de l'artisanat indien et esquimau dans les territoires du nord-ouest. Les diverses co-opératives qui existaient à l'époque, n'avaient ni les ressources, ni les capacités pour développer un marché pour ces produits, ni pour établir un prix

[*Text*]

To assist in this matter, the Department of Northern Affairs, as it was then called, created Canadian Arctic Producers in October 1965. The object of the company was to establish and maintain a viable dealer network and a market for the products of northern Eskimos and Indians.

The company hoped to contribute, as its objective, to the economic independence of the various Arctic communities which it services.

The organization of Canadian Arctic Producers is broken down into two parts. One segment, the fine arts division, handles the art objects, and the second division handles all craft items. The reason for this is that there are two distinctive markets. There is a fine arts market and there is a crafts market.

The policy in the company for handling these products became one of very wide distribution, to establish a very broad market, both in the arts and crafts field, through high-quality outlets. In this way the company has in three years increased its sales volume from approximately $60,000 to the present $800,000 that it now handles; and we are budgeting this year for $1 million.

We have established an international market of some 700 dealers in 11 countries. Nevertheless, the sales in Canada still represent the bulk of our market. Seventy-four per cent of all our sales are in Canada; 22 per cent cent in the United States; and 4 per cent in Europe.

• 1120

As a marketing organization we function essentially in a passive role. In other words, we have no control over the product, the price, the quality, or the delivery, of the items we endeavour to sell. These factors are in the hands of the people in the field, who are responsible for production.

Another problem we have is that we are indeed marketing a product which has little utilitarian function. Essentially our market is based on aesthetic appeal both with regard to the fine arts as well as the crafts. It is an emotional type of market and we are in competition with art from various other nations in the world, except in the case of the Eskimo-designed clothing.

Another problem we are faced with is the economics of pursuing this venture. There are great distances involved from the producer sources to the market agency in the south. Our collection area covers a range of approximately one million square miles. Freight costs

[*Interpretation*]

de commercialisation de ces produits. Pour aider dans ce domaine, le ministère du Nord canadien a créé la «Canadian Artic Producers» en octobre 1965. Il s'agissait d'établir un réseau viable de détaillants et un marché pour les produits des Esquimaux et des Indiens du nord.

La compagnie espérait contribuer à l'autonomie économique des habitants du Grand Nord.

L'organigramme de la «Canadian Arctic Producers» se divise en deux parties. La première est la division des objets d'arts et la seconde est la division qui s'occupe des objets d'artisanat. La raison de cela, c'est qu'il y a deux marchés distincts. Un marché des objets d'art et un marché des produits de l'artisanat.

La politique de la compagnie est d'obtenir une vaste diffusion pour élargir le marché, à la fois dans le domaine de l'art et celui de l'artisanat, par l'implantation de magasins sérieux. De cette façon, la compagnie a accru son volume de vente de $60,000 environ à $800,000. Nous croyons avoir cette année un budget de 1 million de dollars. Nous avons établi un marché international de quelques 700 détaillants dans 11 pays. Néanmoins, les ventes au Canada représentent toujours le gros de notre marché. 74 pour cent de nos ventes se font au Canada, 22 p. 100 aux États-Unis et 4 p. 100 dans les autres pays.

En tant que commercialisatrice notre organisation fonctionne essentiellement de façon passive. Autrement dit, nous n'avons aucun contrôle sur le produit, sur le prix, la qualité ou la livraison des produits que nous essayons de vendre. Ces éléments sont entre les mains des gens qui, sur place, sont responsables de la production. L'autre problème, c'est que nous essayons de commercialiser des produits qui ont peu de valeur utilitaire. Il s'agit essentiellement de débouchés fondés sur l'esthétique dans les secteurs des arts et de l'artisanat. C'est un marché que l'on pourrait qualifier d'émotionnel. Il y a beaucoup de concurrence aves les produits artistiques de divers autres pays, sauf évidemment dans la confection des vêtements esquimaux.

Un autre problème auquel nous devons faire face est l'aspect économique de l'entreprise. Les distances sont grandes entre les producteurs et les marchés du sud. Notre région de ventes s'étend sur à peu près 1,000,000 de milles carrés. Les prix sont

[*Texte*]

are high and this necessarily brings about the fact that as an economic, viable venture it can only be economical in one of its main functions. It can be economical for the producer providing the marketing agency is subsidized in some manner and it can be economical for the marketing agency providing the producer is subsidized in a like manner.

The thing that amounts to the main problem of the organization is the fact that the company operates on a 10 per cent commission. We have no capital except the initial $5 share capital. All inventories are on a consignment basis. The company is permitted to charge 10 per cent for its efforts. This is 10 per cent of the invoice price of our produce which we sell to the market. The balance of the operating cost is contracted to the government in the form of payments to make up the deficit of the operating budget.

One of the most severe handicaps of the company is that it has no capital to take advantage of current market potentials. Therefore, to alleviate this problem, we have submitted to government a proposal for capitalization, in which case the company would be capitalized to the extent that it would be able to pay its accounts receivable, purchase its inventories and carry on operations on a markup basis.

• 1125

I think the future of the company is very favourable. Essentially we are trying to utilize all the inherent skills of the Eskimo and Indian people; all of these things that permitted them to survive in the country in which they live. Take the Eskimo parka as an example. The Eskimo parka is not a compulsion to style and it is not a product of the imagination; it is something that the forces of nature have shaped upon men living in a cold environment. Our approach to the market is that we have something that is fundamental to the Eskimo and Indian people, it has no parallel anywhere, and we endeavour to the best of our ability to sell these things that the people created for their own survival, and these skills which are used in the creation of these things evolved through an educational process several thousands of years old. We endeavour to bring this to the market and to tap the already inherent skills of the people to exploit the southern market in such a way that a greater economic return will be returned to the north.

Briefly, that is essentially what we are all about. We have outlined this in greater detail in the submission that you have before you. I

[*Interprétation*]

élevés, ce qui, bien sûr, entraîne nécessairement, du point de l'économie, une entreprise qui n'est rentable que dans ses fonctions principales. L'entreprise n'est rentable pour le producteur que si l'agence de commercialisation, de quelque manière que ce soit, réussit elle-même à être subventionnée, de même que l'entreprise sera rentable si elle est aussi subventionnée.

Les principaux problèmes que rencontre notre organisation viennent du fait que notre société opère d'après une commission de 10 p. 100 et qu'elle n'a pas de capital sauf le capital initial provenant des parts à $5.00. L'inventaire se fait par consignation. La société a l'autorisation de prélever 10 p. 100 pour ses efforts, c'est à dire 10 p. 100 du prix de facture au marché. Le reste des coûts d'exploitation est affermé auprès du gouvernement sous la forme de versements qui permettent d'éliminer nos déficits.

Un des problèmes les plus graves de notre société est qu'elle n'a aucun capital pour profiter des marchés actuels. Pour atténuer ses problèmes, nous avons proposé au gouvernement un régime de capitalisation selon lequel notre société serait capitalisée dans la mesure où elle pourrait payer ses comptes à recevoir, acquérir ses stocks, et poursuivre ses opérations à profit.

L'avenir de la compagnie, à mon avis, est très prometteur. Essentiellement, nous essayons d'utiliser tous les talents des Esquimaux et des Indiens, tout ce qui leur a permis de survivre dans le pays où ils demeurent. Prenons par exemple le parka esquimau: ce vêtement n'affiche pas un style particulier, ne vient pas de l'imagination, il est conçu pour les gens qui vivent dans un milieu très froid. Voici comment nous abordons le marché: nous possédons un vêtement qui est fondamental chez les esquimaux et les indiens et n'a pas son équivalent ailleurs dans le pays et nous essayons, dans la mesure du possible, de vendre ces articles que les indigènes ont créé et d'employer les mêmes talents entrant dans la confection de ces vêtements, talents d'ailleurs déjà anciens; nous essayons donc de faire valoir ces talents sur les marchés afin d'exploiter les débouchés du sud de façon que la chose devienne rentable pour le Nord.

Voilà essentiellement et en bref nos objectifs; vous les trouverez en plus de détails dans le mémoire que vous avez devant vous.

[*Text*]

think at this point if there are any questions that members feel are pertinent, we will be quite happy to listen to them.

The Vice-Chairman: Thank you, Mr. Mitchell. Perhaps with the Committee's permission we could next hear from Mr. Pearson before going on to questioning. Mr. Bruce Pearson, who has just joined us, is a former general manager of CAP and he now their economic consultant. There are two other gentlemen I should introduce to the Committee. Mr. J. W. Churchman is the Director, Indian Eskimo Economic Development Branch, Economic Development Program, of the Department of Indian Affairs. Mr. John Evans is in charge of handicrafts. These gentlemen are not here as witnesses but they are available to assist the Committee this morning.

Mr. Pearson, would you now like to speak for a few moments?

Mr. Bruce Pearson (Economic Consultant and former General Manager, Canadian Arctic Producers): Thank you, Mr. Chairman. I really have very little to say other than to apologize to you and the Committee for being late. If this was a standing committee on Air Canada or on the wisdom of our forefathers in settling in Toronto where they did, we could go into it in more detail.

I would first like to perhaps emphasize what Mr. Mitchell has said. The prime concern, of course, of Canadian Arctic Producers at this juncture is the future and the necessity for independence, if you will, in terms of our ability to buy products. This in essence is the submission that we have put to government at this particular stage. Of course, this would enable us to carry on in a more businesslike fashion. I would also like to emphasize the fact that Canadian Arctic Producers is a business with particular objectives—and I think Mr. Mitchell has mentioned these objectives—and inasmuch as these objectives are consistent with the social good, if you will, of the Indian and Eskimo people, then I think to that extent Canadian Arctic Producers is really a social type of organization. We endeavour as closely as we can to run it as a business because we feel in so doing we will get efficiencies and we will optimize, if you will, on the sales potential that is available, and this is the kind of result we seek.

I think with those two comments, if I may, Mr. Chairman, I will turn the meeting back to you.

The Vice-Chairman: Thank you, Mr. Pearson. Mr. Deakon?

[*Interpretation*]

S'il a des questions à se sujet, je suis prêt à les entendre.

Le vice-président: Merci, Monsieur Mitchell. Si le Comité le permet, nous pourrions maintenant entendre M. Pearson avant de passer aux questions. Monsieur Bruce Pearson, qui vient tout juste de se joindre à nous, est un ancien gérant général de la société et il y est maintenant conseiller économique. Il y a deux autres messieurs que je devrais présenter. Monsieur J. W. Churchman, qui est le directeur des affaires indiennes au ministère des affaires indiennes et M. John Evans qui s'occupe de l'artisanat. Ils ne sont pas témoins ici, mais ils pourront aider le Comité ce matin.

Monsieur Pearson, à vous la parole.

M. Bruce Pearson (conseiller économique et ancien gérant général de la Canadian Arctic Producers): Merci, monsieur. J'ai très peu de choses à dire, sauf de m'excuser pour mon retard ce matin. S'il s'agissait d'un Comité permanent sur Air-Canada, nous pourrions entrer dans plus de détails, ou s'il s'agissait d'un Comité qui étudie le bien fondé d'avoir installé la ville de Toronto où elle est à l'origine de la colonie.

J'aimerais faire ressortir ce que M. Mitchell a dit. Nous essayons évidemment de rendre la société autonome, en ce sens que nous voulons pouvoir acheter des produits; voilà essentiellement le but du mémoire que nous avons présenté au gouvernement. Cette autonomie nous permettrait d'avoir une opération plus rentable. J'aimerais aussi faire ressortir que notre société est une entreprise d'affaires qui a des objectifs particuliers; je crois que M. Mitchell les a mentionnés. Dans la mesure où ces objectifs sont logiques et compatibles avec le bien public des esquimaux et des indiens, je crois que c'est là la mesure dans laquelle notre organisation peut se dire sociale. Nous essayons autant que possible de la faire rentable car nous croyons qu'ainsi nous deviendrons efficaces. Aussi, nous pourrons optimiser sur notre potentiel de vente et c'est là le résultat que nous désirons. Ces deux observations faites, monsieur le président, je vais vous remettre la parole.

Le vice-président: Merci, monsieur Pearson. Monsieur Deakon?

[*Texte*]

• 1130

Mr. Deakon: Thank you, Mr. Chairman. I notice that Canadian Arctic Producers is mainly controlled by the Co-Operative Union of Canada. Who are the members of the Co-Operative Union of Canada.

Mr. Pearson: I am afraid I do not know all the members of the Co-Operative Union of Canada. It is a co-operative of co-operatives, if I understand it correctly. Interprovincial Co-operatives, I believe, and Federated Co-operatives in the West are two that I know of that are members. Their particular role I expect is to foster co-operative movement but then again I do not know.

Mr. Deakon: What I really wondered, Mr. Chairman, is whether these co-operatives have membership of the Eskimo group. Does the white man control these co-operatives or are the Eskimos involved in these co-operatives?

Mr. Pearson: To a large extent, the original intent, which still is the intent, was that the various independent co-operatives of Eskimo people in the North, north of the 60th parallel, would form into three federations and these in turn would confederate, if you will. Eventually CAP would be part of that confederation. The CUC itself I believe is primarily a white co-operative, but someone may correct me on this.

Mr. Deakon: That is precisely my question and it follows with this question. Have the Eskimos any representatives on the Canadian Arctic Producers Limited?

Mr. Mitchell: Not at this time. This again, hopefully, through restructuring of the company in which their submission has been placed closer to government, will result in Eskimo representation on the board of directors. We employ Eskimo people in the operation of the company but at the moment there is no representation on the board.

Mr. Deakon: Does the Canadian Arctic Producers Limited have any representatives in Europe or the United States of America? I know that you are branching out your operation but have you any representatives in these areas?

Mr. Mitchell: Yes, we have a representative in Bonn, Germany, and we have an agent in Atlanta, Georgia. We also have an associated group in Ann Arbor, Michigan. These are basically marketing functions in efforts to develop the foreign markets.

[*Interprétation*]

M. Deakon: Merci, monsieur le président. Je constate que la société est contrôlée surtout par la *Co-operative Union of Canada.* Quels sont les membres de cette société?

M. Pearson: Je crains fort que je ne connais pas tous les membres de la *CUC.* Il s'agit d'un ensemble de coopératives canadiennes; les coopératives inter-provinciales et celles de l'ouest en font partie, à ma connaissance.

M. Deakon: Ce que je veux savoir, monsieur le président, c'est si ces coopératives ont des membres au sein des sociétés esquimaudes, ou est-ce seulement les Esquimaux qui sont membres de votre société?

M. Pearson: L'intention première, c'est qu'il y ait diverses coopératives d'Esquimaux et d'Indiens dans le Grand nord. Et depuis la mise en vigueur de cette mesure, nous essayons de les intégrer. On pourra peut-être me corriger en ce moment, mais je crois qu'en ce moment il s'agit avant tout d'une coopérative blanche.

M. Deakon: Voilà justement quel était le sens de ma question. Y a-t-il des représentants esquimaux au sein de la société Canadian Arctic Producers Limited?

M. Mitchell: En ce moment, non. Encore une fois, nous espérons qu'il sera possible selon nos nouvelles structures d'avoir des représentants esquimaux au sein du Conseil d'administration de notre société. Nous employons des Esquimaux en ce moment. Mais à l'heure actuelle, aucun n'est représenté au sein de notre administration.

M. Deakon: Est-ce que la société a des représentants en Europe et aux États-Unis? Je sais que vous essayez de diversifier vos opérations. Comptez-vous de tels représentants?

M. Mitchell: Oui, nous avons des représentants à Bonn en Allemagne. Nous avons des représentants à Atlanta, en Georgie. Nous avons aussi un groupe associé à Ann Arbor au Michigan. Il s'agit simplement de bureaux de commercialisation pour développer des débouchés à l'étranger.

[*Text*]

Mr. Deakon: Have you a contract of any kind with any advertising agency?

Mr. Mitchell: No, we do our own advertising.

Mr. Deakon: Do the buyers who purchase these articles from you come to you from all parts of Canada and all parts of the world, or do you ship the merchandise to where they are located?

Mr. Mitchell: Actually it is about a 50-50 type of operation. Approximately 50 per cent of our buyers buy by inspection by coming to our premises here in Ottawa. I hope that at some point perhaps the members will take the time to come down and see our operations on Catherine Street. The other half is done through correspondence communication and through establishing exhibitions of Eskimo art abroad, and from these exhibitions usually dealers are contacted and arrangements are made for establishing business communications and trade.

Mr. Deakon: Has there been any attempt, to your knowledge, to contact costume jewellers and see if the Eskimos could supply them with anything that they would be able to place on the market?

Mr. Mitchell: No. The function of the company is, as I mentioned earlier, a very wide distribution and very high quality outlets. In this way we prevent the proliferation of commodities in any one area. At the same time we maintain a high price structure. We are rather careful in our selection of dealers. We are responsible for the viability in the long run of this market. We must do all we can to prevent it from degenerating into a purely souvenir trade. I think in this respect we have been successful. Our problem is not one of marketing at the moment. Our problem is one of getting sufficient material to market.

• 1135

Mr. Deakon: In that case I presume you have made surveys of the marketing demands, of the demands of the public, for these various crafts, have you not?

Mr. Mitchell: Oh, yes.

Mr. Deakon: And you find the demand is great, is that correct?

Mr. Mitchell: The demand is exceedingly great, far beyond our ability to supply.

[*Interpretation*]

M. Deakon: Est-ce que vous avez des contrats quelconques avec des agences de publicité?

M. Mitchell: Non, nous nous en occupons nous-mêmes.

M. Deakon: Est-ce que les acheteurs viennent de toutes les parties du Canada, de toutes les parties du monde, ou est-ce que vous leur expédiez cette marchandise?

M. Mitchell: Disons que c'est à peu près moitié moitié. Soit les gens viennent sur les lieux ici, à Ottawa, pour se rendre compte et acheter; soit les affaires sont conclues par correspondance; on établit des expositions d'art esquimau à l'étranger. Nous organisons ces expositions qui permettent d'établir des contacts utiles pour faire des affaires.

M. Deakon: Est-ce qu'on a tenté, à votre connaissance, de se mettre en rapport avec des bijoutiers pour leur fournir de l'art esquimau ou des biens qu'ils pourraient mettre sur le marché, par exemple?

M. Mitchell: La fonction de la compagnie, comme je le mentionnais plus tôt, c'est de voir à la distribution et à la haute qualité du produit. De cette façon, nous empêchons la prolification des objets dans une région en particulier et nous permettons d'établir une haute structure de prix.

Nous choisissons soigneusement nos vendeurs, nous sommes responsables de nos vendeurs. Nous voulons éviter que cela dégénère en simple vente de souvenirs. Ce n'est pas un problème de commercialisation auquel nous avons à faire face actuellement. Nous avons un problème quant au stockage d'une quantité suffisante d'articles nécessaires pour la vente.

M. Deakon: Est-ce que vous avez fait des enquêtes sur les demandes du public?

M. Mitchell: Oh oui.

M. Deakon: Oui. La demande est grande, est-ce vrai?

M. Mitchell: Oui, la demande dépasse nos capacités de production.

[*Texte*]

Mr. Deakon: What have you done to satisfy this demand?

Mr. Pearson: Kept marking up prices, for one thing.

Mr. Mitchell: As I say, we have to play a passive role in this organization. We have no control over production, quality or delivery. We can relate our needs to the field and beyond that it is usually up to the people in the North to endeavour to fill them.

Mr. Deakon: Have you conveyed to the Eskimo people up north that the demand for their art is very, very great to encourage them to produce more of this?

Mr. Mitchell: We never encourage the Eskimos to produce more carvings. This would be a retrograde step. The minute you start mass-producing a thing that has artistic merit the quality drops, the value drops and so does your market. We realize that the company cannot expand its operation based on Eskimo art. We have to look for other sources of industry to expand upon. We must look for production that will permit the greatest number of people to participate, and in this respect we endeavour to promote very heavily Eskimo-designed clothing. Here is a function that most of the women in the Arctic can participate in.

Our expansion is based on this and various other handicraft items that do not require artistic skill or great craftsmanship. We cannot push the production of Eskimo carvings; otherwise, they would end up in drug stores and cigar stores at a very low price level competing with imports from Japan and various places like this.

Mr. Deakon: Mr. Chairman, I am thinking more along the lines of Mexico, for example, where you get the Aztec art. It is well known all around the world. They certainly cannot say they mass produce it, but they produce it as the demand requires. You distribute it all over the world and the world is still a big place, although it has shrunk because of our transportation systems, but you should be able to bring in a certain amount of revenue and give a certain amount of prestige to these Eskimos. I do not think personally that a person in a hotter climate is going to wear Eskimo clothing but he will probably want a carving or something.

[*Interprétation*]

M. Deakon: Et qu'est-ce que vous faites pour satisfaire la demande?

M. Pearson: Nous continuons à accroître les prix.

M. Mitchell: Nous jouons un rôle passif dans la production. Nous n'avons aucun contrôle de la production. Tout ce que nous pouvons vérifier, c'est la qualité. Nous pouvons dire aux gens du Grand nord quels sont nos besoins, et ils font leur possible pour nous permettre de faire face à nos demandes.

M. Deakon: Cela met en cause les Esquimaux? Vous leur dites que leurs pièces d'art sont très belles et qu'elles pourraient bien se vendre s'ils en fournissaient plus?

M. Mitchell: Nous encourageons les Esquimaux à produire plus de sculpture Dès que vous commencez à faire de la production en masse, je crois qu'au point de vue artistique, la qualité diminue. C'est pourquoi nous n'encourageons guère les Esquimaux à faire de la production en masse. Il ne s'agit pas d'inonder le marché. Nous nous rendons compte que la société ne peut pas prendre de l'expansion seulement en se fondant sur l'art esquimau. Elle doit trouver d'autres ressources pour prendre de l'expansion. Elle doit voir à la production pour permettre au plus grand nombre de gens de participer, et à cet égard, nous tentons de promouvoir la vente des vêtements fabriqués par les Esquimaux. C'est une fonction que les femmes de l'Arctique remplissent très bien et c'est une activité à laquelle elles se livrent.

Il y a la question des artisanats qui n'exigent pas de très haute compétence artistique. Nous ne pouvons donc pas pousser la production de l'art esquimau pour essayer de fournir des souvenirs à bas prix aux pharmacies, aux marchands de souvenirs, aux bazars, où nos produits entrent en compétition avec les produits japonais.

M. Deakon: Monsieur le président, je pense par exemple à l'art aztèque qui est connu à travers le monde. Mais sans produire en masse, est-ce qu'on ne peut pas essayer de produire davantage? Cela est distribué à travers le monde. Vous devriez être en mesure de tirer un certain revenu et apporter aussi un certain prestige pour les Esquimaux en faisant cela. Je ne sais pas si un amateur vivant sous des cieux plus cléments portera un vêtement esquimau tandis qu'il acheterait fort probablement une sculpture.

[*Text*]

Mr. Mitchell: This is right. We have done this. We have brought this thing from $60,000 a year to a budget of $1 million this year. There are only 12,500 Eskimos.

Mr. Deakon: Yes, but would you not agree with me that if you can do it at $1 million, you could do it at $10 million if you wanted?

Mr. Mitchell: This is the ultimate aim.

Mr. Deakon: The majority of that money would go to the Eskimos.

Mr. Mitchell: This is right. This is what we are trying to do, but we cannot do it through Eskimo carvings without ruining the market for Eskimo carvings.

Mr. Pearson: If I might add to that for a moment there are two things that we are attempting to expand. One is to develop new areas where there is not much carving being done. We do not attempt to push the output of individuals who are presently producing to a fairly great extent already, but rather where there are not many carvings coming in.

A great deal of this, of course, has to do with the financial end too. If money were available to buy more carvings, for example—Eskimo people are like so many of us in that they like to get paid immediately for what they produce.

Mr. Deakon: I have more questions to ask but I think, Mr. Chairman, some of the other members of the Committee should take the floor.

The Vice-Chairman: Mr. Kaplan, you are next on my list.

• 1140

Mr. Kaplan: Thank you, Mr. Chairman. I just have a few questions. A few weeks ago I visited the Smithsonian Institute in Washington and they had a beautiful display of Eskimo sculpture for sale. One remarkable piece was selling for $325 U.S. What would be the return to the Eskimo who carved that particular work?

Mr. Mitchell: We supply the Smithsonian Institute with quite a lot.

Mr. Kaplan: It is absolutely first rate, not just Eskimo craft but art as far as I am concerned.

[*Interpretation*]

M. Mitchell: Cela est très juste. Nous avons fait passer le chiffre des sculptures de 60 mille dollars par année à 1 million de dollars, et pourtant le nombre d'Esquimaux n'a guère augmenté.

M. Deakon: Vous pourriez bien faire passer ces chiffres à 10 millions, si vous le vouliez.

M Mitchell: C'est notre but principal.

M. Deakon: Les Esquimaux en retireront la majeure partie.

M. Mitchell: Oui, c'est ce que nous tentons de faire. Mais nous ne pouvons pas le faire uniquement en nous fondant sur les sculptures esquimaudes.

M. Pearson: Je crois que les sculptures sont des choses auxquelles nous tentons de donner de l'expansion. L'une des idées c'est de développer de nouvelles régions où on ne fait guère de sculptures et de promouvoir la sculpture dans ces régions, d'encourager les individus, les personnes qui actuellement fournissent déjà des sculptures à en produire davantage. Dans les cas où il n'y a pas beaucoup de sculptures qui sont produites, nous tentons d'en faire produire davantage.

Il y a des problèmes financiers en cause ici, car si des sommes étaient disponibles pour acheter plus de sculptures, par exemple. Les Esquimaux, comme la plupart d'entre nous, aiment à être payés immédiatement pour ce qu'ils produisent. C'est donc aussi une question de pénurie de fonds.

M. Deakon: J'aurais d'autres questions, monsieur le président, mais j'y reviendrai plus tard.

Le vice-président: Monsieur Kaplan.

M. Kaplan: Je n'ai que quelques questions. Il y a quelques semaines, j'ai visité l'Institut Smithsonian à Washington Ils ont un bel exhibit de sculptures esquimaudes, et une de ces pièces se vendait $325.00 en dollars américains. Combien l'Esquimau qui a sculpté cette pièce recevra-til?

M. Mitchell: C'est nous qui fournissons les objets d'art qui sont en vente à l'Institut Smithsonian.

M. Kaplan: C'était de l'art sous sa forme la plus pure, c'était de l'art de qualité, non pas seulement de l'art esquimau mais de l'art de première qualité.

[*Texte*]

Mr. Mitchell: The retail mark-up on Eskimo art is approximately 50 per cent of the selling price or 100 per cent of our cost selling price. The bulk of supply comes from Eskimo co-operatives. We remit to the Eskimo co-operatives 90 per cent of our selling price so if that carving was selling for $300 it was purchased for approximately $150, and we remitted back to the Eskimo co-operative $135.

Mr. Kaplan: And when would the Eskimo get the money?

Mr. Mitchell: Well this is the bind that we are in. This is the whole object of endeavouring to be capitalized. From the time a co-operative is financed, say for $5,000 or $10,000, it proceeds with a purchasing program from the community. It may spend $2,000, $3,000 or $4,000 in a month. It takes three weeks, a month or perhaps two months to get this product to the marketing agency. It may sit in our warehouse a number of days before it is opened. It is then opened, re-assessed for market value, put on the shelves and if it is good it sells quickly. Then there is a lapsed time of collection. We have to wait until we ourselves collect on the sale of these carvings. This period could be from 30 to 60 to 90 days.

Consequently, from the time that the co-op purchased that shipment you may have an elapsed time of three to four months.

Mr. Kaplan: This is not your area, but who funds the co-ops? Is it the community itself that funds them or does the government do that?

Mr. Mitchell: There are some co-ops that are self-funded. I believe that most of them are through Eskimo loan funds.

Mr. Pearson: That is government Eskimo loan funds?

That lapsed time of three or four months that might take place is in respect of the co-operative or the organization, but the actual carver would get his money immediately from the co-op.

Mr. Kaplan: Would you, in your judgment, say that this cash flow problem restricts the amount of art that is produced?

Mr. Pearson: We are certainly told so by the co-operatives.

Mr. Kaplan: In other words, if they had more funds they could be producing more work.

Mr. Pearson: Yes, if they could turn their working capital over faster, they would produce more.

[*Interprétation*]

M. Mitchell: Le prix de vente est à peu près 50 p. 100 au-dessus du coût. Nous remettons à la Coopérative esquimaude 90 p. 100 du prix de vente; soit, sur une sculpture d'à peu près $300.00, à peu près $135.00 que nous remettons à la Coopérative esquimaude.

M. Kaplan: Et quand les Esquimaux recevront-ils cette somme?

M. Mitchell: C'est le problème auquel nous tentons de faire face actuellement. Au moment où une coopérative se finance, disons de $5,000 à $10,000, elle établit un programme d'achat dans la collectivité. Elle peut dépenser $2,000 ou $3,000 dans un mois. Il lui faut à peu près trois semaines, un mois ou deux mois pour que le produit soit livré à l'agence qui s'occupe de la mise en marché. Il peut rester un certain nombre de jours dans nos entrepôts avant que les marchandises ne soient déballées, placées sur les étagères et si le produit est jugé bon, il se vend assez vite. Puis on doit attendre un certain temps pour encaisser le produit de vente des sculptures. Ca peut prendre de 30, à 60 à 90 jours.

Par conséquent, à partir du moment où la coopérative a acheté le produit, il passera de trois à quatre mois.

M. Kaplan: Ce n'est pas votre domaine, mais savez-vous qui fournit les fonds à la coopérative? Est-ce que c'est la collectivité qui la finance ou si c'est le gouvernement?

M. Mitchell: Certaines coopératives se suffisent à elles-mêmes, mais je crois que la plupart reçoivent de l'aide du gouvernement.

M. Pearson: Oui, ce sont des fonds de prêts aux Esquimaux. La période de trois ou quatre mois qui s'écoule entre la vente et l'encaissement concerne uniquement la coopérative ou l'organisation, car le sculpteur reçoit son argent immédiatement de la coopérative.

M. Kaplan: D'après vous, ce problème d'argent réduit-il la quantité de pièces sculptées?

M. Pearson: C'est ce que les coopératives prétendent.

M. Kaplan: En d'autres termes, s'ils avaient plus de fonds, ils pourraient produire plus d'objets d'art.

M. Pearson: Oui, s'ils avaient un roulement de fonds plus rapide, ils produiraient plus.

[*Text*]

Mr. Kaplan: Do you think it can be turned over faster in the normal marketing process, or is it just a matter of having to put more money in? From what you said, I cannot really see that the process could be carried out much more quickly.

Mr. Pearson: Well if we could rebate to the co-operative on receipt of goods we would cut down by at least one-half the elapsed time. In other words, as soon as we received a shipment we would open it and repay in a week, say, rather than having to wait through the inventory cycle and the accounts receivable cycle.

Mr. Kaplan: What is the present status of your submission.

Mr. Pearson: When last heard of, I understand it had reached some level fairly high up—the Treasury Board or something of this nature. Perhaps these gentlemen could help us out with that, I really do not know.

Mr. Kaplan: There is one other area that I would like to get into. Is yours the only agency that markets the crafts of the north, or do co-operatives have other opportunities to go directly to the market?

Mr. Mitchell: There is an agency in Lévis, Quebec which handles the northern Quebec co-operatives groups. The Hudson's Bay Company sells Eskimo carvings. The co-ops themselves are free to use whatever methods or means at their disposal to market their produce. They are not compelled to ship to Canadian Arctic Producers, they may ship direct to dealers, if they so wish. Basically, there are three groups active in this field: la fédération des Co-opératives du Nouveau-Québec at Lévis; the Hudsons' Bay Company and Canadian Arctic Producers.

Mr. Kaplan: It struck me, from what you said, that there is a serious gap in the whole process of bringing crafts to market and the relationship, let us say, that the craftsman has with his customer. You indicated that you do not have any control over quality or supply at the level of production, yet you are the agency that has or should have the skill and the knowledge which would be very useful to the craftsman to know what he should be producing, what products he should be concentrating on and what quantities of particular products he should be producing. Just to conclude, do you think there would be some

[*Interpretation*]

M. Kaplan: Croyez-vous que le roulement de fonds se ferait plus rapidement dans un processus de commercialisation normal ou s'agit-il d'investir plus de fonds? Par ce que vous venez de nous dire, je ne vois pas comment le roulement pourrait se faire plus rapidement.

M. Pearson: Si nous pouvions payer les coopératives sur réception des marchandises, nous réduirions le temps nécessaire au moins de moitié. En d'autres termes, dès la réception d'un envoi, nous pourrions ouvrir les marchandises et régler le montant dans un délai d'une semaine au lieu d'attendre la fin de l'inventaire.

M. Kaplan: Où en est votre proposition à l'heure actuelle?

M. Pearson: Si je comprends bien, elle se trouve quelque part au Conseil du Trésor. J'espère que ces messieurs pourront nous donner un bon coup de main.

M. Kaplan: Il y a un autre domaine dont je voudrais parler. Est-ce que vous êtes le seul organisme qui s'occupe de commercialisation des œuvres d'art du Nord ou est-ce qu'il y a des coopératives qui peuvent aller directement sur le marché vendre leurs produits?

M. Mitchell: Il y a à Lévis, (Québec), un organisme qui représente des groupes de coopératives du Nord du Québec. Il y a aussi la Compagnie de la baie d'Hudson qui vend des sculptures esquimaudes. Les coopératives peuvent s'adresser .. utiliser la façon qu'ils désirent pour vendre leurs produits. Ils ne sont pas obligés de faire parvenir à la «*Canadian Arctic Producers*» leurs produits. Ils peuvent choisir la méthode qu'ils veulent. Les trois groupes qui s'occupent de la commercialisation sont: La Fédération des coopératives du Nouveau-Québec, à Lévis, la Compagnie de la Baie d'Hudson et la «Canadian Arctic Producers».

M. Kaplan: D'après ce que vous dites, il me semble qu'il y a une sérieuse lacune dans tout le processus de commercialisation et dans les relations qui existent entre les producteurs et le client. Vous avez mentionné que vous ne détenez aucun contrôle sur la qualité et la fourniture au niveau de la production. Et cependant, c'est vous l'organisme qui a ou qui devrait avoir la compétence et les connaissances qui seraient utiles aux artisans, de savoir qu'est-ce qu'ils devraient produire, sur quels produits ils devraient se concentrer, quels articles ils devraient produire. Pour terminer, croyez-vous qu'il y aurait des avantages à

[*Texte*]

advantage in providing a greater feed-back from the level of retail consumption to the craftsman?

• 1145

Mr. Pearson: Yes, I would say that there would be some benefits as these developed. As the co-operatives begin operating in a wider range of areas our feed-back is reasonably good to them. For example, on every shipment there is a comment that goes back as to the quality and so on.

Mr. Kaplan: Do they know very promptly what goods they have shipped remain sitting on the shelf and what was taken up the day it arrived?

Mr. Pearson: Oh, yes, they have a monthly report on inventory sales, their accounts receivable position of the individual co-op and so on every month.

Mr. Kaplan: And it indicates to them what particular items have moved?

Mr. Pearson: No, not what particular items have moved. It indicates their inventory position. They would have a report on a shipment on what the assessment of quality was and of course they would also see the price that we marked it up to, if you will. We reprice when it comes in. So they would see the difference between what their price was when they sent it down to us and what we ultimately sold it for or were asking for it, and then we would rebate the difference.

Mr. Kaplan: Can I take it then that the craftsman has absolutely no way of knowing anything about future trends in the market, he does not hear from people who survey the market and try to ascertain what the public taste is, whether moccasins are in or out or whether beaded purses would sell?.

Mr. Pearson: No, I do not think we can say that. Trends in new product development that we may think of or what we may see there is need for in the market are related back. At this juncture the Department is responsible for the level of organization in parts of the Arctic and, in other parts of the Arctic, the territorial government is essentially responsible for the production end.

Mr. Mitchell: We relate back to the co-op itself, not to the individual Eskimo. We

[*Interprétation*]

fournir un plus grand nombre de renseignements du niveau de la vente en détail jusqu'à l'artisan?

M. Pearson: Je le crois, oui. Je crois qu'il y aurait des avantages par cela au fur et à mesure que cette industrie se développe. Comme les coopératives commencent à fonctionner dans un plus grand nombre de secteurs, les renseignements que nous renvoyons leur sont très utiles. Sur tout envoi de marchandise que nous recevons, nous leur envoyons nos commentaires quant à la qualité, etc.

M. Kaplan: Est-ce que vous leur dites promptement quels sont les articles qui se vendent dès leur arrivée et ceux qui ne bougent pas des tablettes?

M. Pearson: Oh oui, ils reçoivent un rapport mensuel sur le chiffre de ventes, les comptes recevables de leurs coopératives et autres renseignements.

M. Kaplan: Ces rapports indiquent-ils aussi les articles qui ne se sont pas vendus?

M. Pearson: Non, peut-être pas chaque article en particulier, mais leur donne un aperçu de notre inventaire. Ils reçoivent un rapport sur les envois de marchandises, ce qui leur permet d'avoir une idée de l'évaluation qui a été faite au sujet de la qualité. Enfin, ils peuvent aussi s'en rendre compte par la façon dont nous fixons le prix des articles. Ils nous l'envoient en nous indiquant leurs prix et ils s'aperçoivent ensuite du prix auquel nous avons réussi à le vendre ou nous avons tenté de le vendre.

M. Kaplan: Dois-je comprendre que l'artisan n'a aucune façon de savoir quelles seront les tendances futures du marché par exemple. Il n'entend pas parler des gens qui étudient le marché de façon à savoir quel est le goût du public, et de savoir si les mocassins sont en vogue ou non, ou si les porte-monnaie garnis de perles se vendent bien ou non?

M. Pearson: Non, je ne pense pas que nous puissions dire cela. Les renseignements sur les tendances, sur le développement d'un nouveau produit, sur les produits qui à notre avis pourraient bien se vendre ou qui sont exigés par le marché leur sont transmis. Dans ces circonstances, c'est le Ministère qui est responsable dans certaines parties de l'Arctique, le gouvernement des Territoires se charge surtout de la production.

M. Mitchell: Nous transmettons les renseignements directement à la coopérative et non

[*Text*]

endeavour to give the different co-ops a production figure each year which we feel we could sell in the utilitarian field, for instance garments and things like that. We place orders with the co-ops for these items. We communicate directly with the co-ops in regards to trends, to price, quality and delivery. Now it is up to the co-op at that level to communicate—

Mr. Kaplan: Well that is sort of *ex post facto* and—

Mr. Mitchell: Yes.

Mr. Kaplan: —they can draw conclusions from that, but would it not be better if someone would tell them for example that beaded purses are very popular this season, if they are.

Mr Pearson: Well we place an order for beaded purses, if they are popular.

Mr. Kaplan: Oh, you do.

Mr. Pearson: Yes, definitely. We will place an annual order or we will place orders at any time for that item.

Mr. Kaplan: Thank you very much, Mr. Chairman.

The Vice-Chairman: Mr. Gundlock, you are next.

Mr. Gundlock: I am sorry, Mr. Chairman, that I was called out. However, it was a very happy occasion because a retailer from Waterton Lakes Park who sells much of this handicraft called me from the CAP office here in Ottawa. He is down here looking things over and expecting to order for next year's business. It tied in very well. I said: "I am here and you are there, and we are talking about it right now."

• 1150

I would like to make a point that I have been trying to make for many years here in Ottawa. Rather than perhaps CAP I would suggest an organization that would bring together native crafts from other sources as well. In particular, I am thinking of the southern Indians. Would the witness comment on what his thoughts would be in this connection?

I note from the report that we have before us that it seems to be a very successful opera-

[*Interpretation*]

pas à l'esquimau en particulier. Nous essayons de fournir chaque année aux diverses coopératives nos prévisions concernant la vente dans le domaine des produits utilitaires tels que les vêtements et d'autres articles du même genre. Nous commandons ces articles des coopératives auxquelles nous communiquons les tendances du marché, les prix, la qualité et la livraison.

C'est aux coopératives, à ce niveau-là, de communiquer.

M. Kaplan: Ils peuvent tirer des conclusions à partir de ces faits.

M. Mitchell: Oui.

M. Kaplan: Ils peuvent en tirer les conclusions mais est-ce que ce ne serait pas mieux que quelqu'un leur dise, par exemple, que telle chose est très populaire cette saison.

M. Pearson: Si les petits porte-monnaie sont populaires, nous en commandons.

M. Kaplan: Vraiment.

M. Pearson: Oui, certainement. Nous leur plaçons une commande annuelle ou à un moment donné nous leur disons: Ceci se vend très bien alors nous en voulons une très forte quantité. Cela leur indique qu'est-ce qui se vend bien à ce moment-là. C'est exact.

M. Kaplan: Merci beaucoup, monsieur le président.

Le vice-président: Monsieur Gundlock.

M. Gundlock: Je regrette, monsieur le président, d'avoir dû quitter. C'était une occasion très heureuse. Un détaillant de Waterloo Lakes et qui vend de grandes quantités d'articles de ce genre m'a appelé du bureau de la «Canadian Arctic Producers» ici à Ottawa. Il est ici pour faire des commandes pour l'année prochaine. Je lui ai dit: Je suis ici, vous êtes là-bas, et nous en parlons maintenant.

Il s'agirait peut-être d'une observation que je voulais formuler depuis plusieurs années à Ottawa. J'aimerais proposer l'établissement d'une organisation qui assemblerait des objets d'art indigène provenant d'autres sources aussi. Je pense surtout aux Indiens du Sud. Le témoin voudrait-il nous donner son point de vue à ce sujet? A la lecture du rapport que nous avons en mains, il semble que cette entreprise connaisse beaucoup de succès. Il faut d'autres sources mais, selon moi, il faut

[*Texte*]

tion. There is a need for other sources and to me there is also a need for amalgamation, shall we say. It comes from the Department as a whole or in general, in other words, and there are many sources like the example I have just mentioned. I would like to discuss this a little. It may be somewhat out of line, Mr. Chairman, but I would like to have your ideas on that.

The Vice-Chairman: Perhaps one or both of you gentlemen might like to answer this.

Mr. Mitchell: I think perhaps we both can contribute something to answer this question. First of all, the CAP was set up solely as an agency for the Northwest Territories and not for the southern Indians. We do handle Indian craft work from the Mackenzie River but we are not permitted to offer our services to the southern Indian groups that are involved in craft productions.

Mr. Gundlock: I appreciate this, Mr. Chairman, but what I am trying to say really—and I may as well be frank about it—is, would you consider a proposition like this to make it a native thing? We all know in public relations and in sales there is sometimes a psychological block—it may be Arctic in particular—but perhaps there is something else that they want, or they do not want to look at Indian-Eskimo-Metis. Frankly, I would like your opinion on that.

I have, as I say Mr. Chairman, for many years pushed this very thing; to get rid of—to speak quite frankly—the "Indian-Eskimo-Metis" and bring it down to Canadian native; native of Canada.

Mr. Pearson: Yes, I can . .

Mr. Gundlock: It would broaden the scope; it would delete, shall we say, certain sections. If you do not want something from the Arctic, you can have it from the South; if you do not want something from the South, you can have it from the Arctic—the material itself.

Mr. Pearson: This has been considered to some extent. The problem of using Canadian Arctic Producers at this particular juncture is that we have to remember that it is a very young organization and it has grown at a tremendous rate. I happen to believe that organizations have to develop over a period of time. At this juncture I think the Indian arts and crafts problem is a very serious one. There is a much more complex and wider market where the production sources are far more varied, both geographically and in content, and there is little organization.

[*Interprétation*]

aussi amalgamer, si je puis dire. Il y a d'autres sources, j'en ai donné un exemple. Ce n'est peut-être pas tout à fait recevable, monsieur le président, mais je voudrais avoir votre opinion sur la question.

Le vice-président: Peut-être que l'un d'entre vous, messieurs, pourrait répondre à cela.

M. Mitchell: Nous pourrions peut-être répondre tous les deux à cette question. D'abord, le CAP a été établi pour les Territoires du Nord-Ouest et non pas pour les Indiens du Sud. Nous vendons les articles d'artisanat indien du Fleuve Mackenzie, mais nous n'avons pas le droit d'offrir nos services aux autres groupes indiens du Sud qui se livrent à l'artisanat.

M. Gundlock: Je vous remercie, monsieur le président, mais je veux tout simplement dire, et cela en toute franchise, je veux vous demander si vous seriez prêt à en faire une chose indigène? Nous savons tous qu'il y a certains obstacles psychologiques, mais ne pourrait-on pas essayer de mettre fin à cette division entre les Indiens, Esquimaux et Métis? Franchement, je voudrais connaître votre point de vue?

Comme je l'ai dit, monsieur le président, depuis plusieurs années, j'ai réclamé précisément cela; j'aurais voulu qu'on se débarrasse de cette distinction entre les Indiens, les Esquimaux et les Métis, pour utiliser les mots indigènes canadiens, indigènes du Canada.

M. Pearson: Oui, je peux . . .

M. Gundlock: Cela élargirait l'optique; ceci permettrait de faire disparaître certaines distinctions. Si vous ne voulez pas quelque chose de l'Arctique, vous pouvez l'obtenir du Sud, et réciproquement.

M. Pearson: On y a songé dans une certaine mesure. La question d'avoir recours à Canadian Arctic Producers oblige a se rappeler que cette organisation est encore très jeune et qu'elle s'est développée a une vitesse extrêmement élevée. Je pense que les organisations doivent pendre le temps de grandir. Le problème de l'artisanat indien, est un problème assez grave. Il y a un marché plus complexe et plus large si les sources de production sont plus variées, tant du point de vue géographique que du point de vue de leur contenu, il y a très peu d'organisation.

[*Text*]

Indeed, I would have to say that if we wanted to describe it we would say we have chaotic market situation among Indian arts and crafts. There is no question about that. All the power rests with the buyer, the retailer and so on because he can trade one small Indian group off against another. To dump that total set of problems on CAP at this particular juncture in my opinion would be to risk unduly the ability of CAP to absorb it organizationally, financially and in every other way.

• 1155

I think there is more efficiency to starting an organization to handle Indian arts and crafts at this juncture. Possibly in the future, as it develops and gets more experience and so on, they could amalgamate. But I think if you just push these total problems on to CAP and its existing organization and management you run the risk of its being able to survive as an organization.

Mr. Gundlock: I appreciate that very much, as a matter of fact. I am trying to compliment you upon your arriving where you have in such a short time. Really looking into the future, an organization such as yours that has been so successful apparently—I am not saying now—I just wonder whether this could not be considered.

Mr. Pearson: In the future—the longer run—it definitely could be considered. In the short run I feel that a small and flexible organization such as CAP is the answer to the very complex kinds of problems. It can adjust very quickly, it can move very readily, and you are not risking undue amounts of money or effort by making mistakes. The mistakes are small at the start and the marketing organization sort of builds as you make some sense out of the production resources you have. This was, in a sense, what CAP had.

I would not recommend that CAP take over the southern Indian arts and crafts marketing program. But certainly I think that CAP would look upon any such endeavour as a sister organization, if you will, give it the benefit of any experience we have and certainly give it the benefit of any merchandising know-how that we have developed or have experienced. We have offered to do this on many occasions.

Mr. Gundlock: Thank you, Mr. Chairman.

The Vice-Chairman: Mr. Cullen, you are next on my list.

Mr. Cullen: Thank you, Mr. Chairman. I know, gentlemen, that you are interested in

[*Interpretation*]

En fait le marché actuel, de l'art et de l'artisanat indien, est plus chaotique. Ce sont les acheteurs, les détaillants et autres qui ont tous les pouvoirs, car ils peuvent se servir d'un petit groupe d'indiens contre un autre. Rejeter tous ces problèmes sur le CAP à ce moment-ci, ce serait risquer de compromettre la capacité de CAP de prendre en charge cette fusion des différents groupes de production.

Je crois qu'il vaudrait mieux mettre sur pied une organisation pour s'occuper de l'artisant indien, puis avec le temps et l'expérience, les deux organisations pourraient fusionner. Mais, si vous rejetez tous ces problèmes sur le CAP, son organisation et sa direction, vous risquez de mettre sa survivance en danger.

M. Gundlock: Je me rends compte de cela. Et j'essaie de vous féliciter pour ce que vous avez fait en si peu de temps. Si l'on regarde l'avenir, une organisation comme la vôtre, qui a connu tant de succès pourrait peut-être envisager cette possibilité?

M. Pearson: A la longue, c'est possible. Mais, toutefois, à brève échéance, je crois qu'une organisation aussi souple que le CAP est la réponse à une foule de problèmes. Cette organisation peut s'adapter rapidement et en faisant des erreurs, on ne risque pas de sommes considérables d'argent et d'efforts. Les erreurs ne sont pas tellement considérables au début et l'organisation de commercialisation au fur et a mesure que vos ressources augmentent. C'est un peu ce qu'a fait le CAP.

Je ne crois pas que CAP doive s'occuper de l'artisanat des Indiens du Sud. Mais il est certain que CAP serait prêt à jouer un rôle de coopération auprès d'une organisation semblable. Nous pourrions leur faire partager notre expérience dans le domaine de la commercialisation. C'est ce que nous avons offert à plusieurs reprises.

M. Gundlock: Merci, monsieur le président.

Le vice-président: Monsieur Cullen, vous êtes le suivant sur ma liste.

M. Cullen: Je vous remercie, monsieur le président. J'ai noté que vous ne voulez pas

[*Texte*]

not flooding the market with Indian art. I am just wondering whether these other sources of marketing in Lévis, Quebec, and Hudson Bay are having that effect. Do they go in for the mass-produced type of art?

Mr. Mitchell: They do to a degree. Their marketing functions are orientated somewhat differently from ours. They wholsale to wholesalers who in turn develop markets to all and sundry. For instance, you can go up to Shoppers City in Ottawa and find Eskimo carvings. You will find them at Kresge's and places like that. Their technique is one of selling purely for a short run game.

We tend to think in the long term, to maintain the viability of the market for Eskimo things. In order to do this we have to maintain prestige, and you cannot maintain prestige by selling to grocery stores items which are essentially art objects or hand-crafted objects of quality.

Mr. Cullen: Then in your opinion, is the producer getting a better deal by dealing through your marketing procedures in the long run, or would they get a better deal in the short run from the others and in the long run from you, or would they get a better deal over all from CAP?

Mr. Mitchell: I think he is getting a better deal from us. We have maintained quality outlets where we can get high prices and this is really what we try to maintain—a high price structure. In order to maintain a high price structure we have to do certain things. We must maintain a prestige level of retailers where Eskimo and Northern Indian products are in association with other items that are of comparable quality and prices.

• 1200

We cannot look upon this as a quick buck this year and we do not know what will happen next year. We want to look upon it as an exercise that is going to continue over the years and we feel that our method is the best guarantee to maintain a viable market over the long haul.

Mr. Pearson: If I may interject, I think we can answer your question by saying that we believe our strategy is definitely the best, both in the long and the short run. Speaking very frankly, this is the basic strategy.

We say to ourselves, all right, this is what we estimate the production will be. I am talking about the fine art market, for example. We ask ourselves what it is going to be over the next three years. Our feeling generally is that it takes about three years to develop a

[*Interprétation*]

inonder le marché d'art indien. Je me demande seulement si les autres sources de commercialisation à Lévis (Québec) et à Hudson Bay poursuivent le même but. Ne visent-ils pas la production de masse?

M. Mitchell: Jusqu'à un certain point, oui. Ils procèdent de façon quelque peu différente. Ils vendent en gros à des grossistes qui vendent ensuite à des détaillants divers. On en trouve jusqu'à Shopper's City à Ottawa; ou chez Kresge, ou ailleurs. Leur technique est une technique de vente en vue de gains à court terme. Nous songeons plutôt aux gains à long terme. Il faut conserver le prestige de l'art esquimau. Il est certain qu'on ne peut pas conserver ce prestige en vendant dans des épiceries, des objets supposés être de qualité, sculptés à la main, etc,. . .

M. Cullen: Donc, à votre point de vue, est-ce que le producteur fait mieux de traiter avec vous à long terme ou est-ce qu'il ferait mieux de traiter avec les autres à court terme et avec vous à long terme, ou est-ce que de toute façon, le mieux pour eux, c'est CAP?

M. Mitchell: Je crois qu'il vaut mieux qu'il traite avec nous. Nous avons conservé des magasins de luxe là où nous pouvons obtenir des prix élevés, et c'est ce que nous essayons de conserver une structure de qualité. Il faut que les détaillants qui vendent des produits indiens et des produits esquimaux bénéficient d'une réputation de prestige.

Nous ne pouvons pas envisager un profit rapide une année et Dieu sait quoi l'année suivante. Il s'agit d'une expérience qui doit se prolonger pendant des années et nous croyons que notre méthode est la meilleure pour conserver un marché viable pendant longtemps.

M. Pearson: Si je peux ajouter une observation. En réponse à votre question, nous croyons que notre stratégie est la meilleure tant à long terme qu'à court terme. Pour être tout à fait honnête, c'est la stratégie de base.

Nous nous disons: «voilà donc ce que sera la production». Je parle du marché des beaux-arts. Nous tentons d'établir qu'elle sera la production pendant les trois prochaines années. Nous croyons en général qu'il faut environ trois ans pour établir un nouveau

[*Text*]

new market. If we want to move into the southwestern U.S. market, it takes about three years to do this. First of all you have to get your galleries to accept Eskimo art as an art form. Then you perhaps have to get a few of the private collectors to accept this work in their private collections. You are then in a position to line up the good dealers.

Our first objective is to sell volume, but to sell it at the highest possible price, so we are consequently moving up the price. We try to keep one step ahead of the development of production, thereby creating an artificial scarcity, and we add geographic markets in other countries as we forecast the production going up. We want the demand to constantly exceed the supply because that allows us to push the prices up. That is the name of the game, to get the highest price we can possibly get.

Mr. Cullen: I would like to pursue, two other areas, Mr. Chairman. I noted your comment that you have 700 dealers in all countries, but I noticed in your summary later that your market here is 74 per cent, it is 22 per cent in the United States and 4 per cent in Europe. Seemingly your only agency in Europe is in Bonn. Are you trying to develop other outlets? I would think there would be a great market in Great Britain.

Mr. Pearson: Yes. The agent in Bonn is a gentleman who was with the foreign service, I think, serving in this country. When he retired he volunteered his services and asked if he could be of any help to us in the matter of promotion. That is why he is called an agent. We indeed have dealers in England, and in many other parts of Europe, and we hold a great number of exhibitions in Europe through these dealers. The product is available on a very wide scale. This chap is an agent inasmuch as he helps to sort of generally promote to the European market, and, in this way he gets us some publicity. He is fairly well connected in that respect.

Mr. Cullen: There is one final area that I would like to pursue. You mentioned environment and you referred to groups that have an interest, I suppose you might say, in the culture of the native peoples, and so on. Is this much of a deterrent in your market, is this a real handicap in that you are sort of supersensitive, or are you supersensitive to these people?

Mr. Pearson: We may be supersensitive. I expect we are very much like you gentlemen. There are constant sources of advice, people

[*Interpretation*]

marché. Si nous voulons nous rendre dans le sud-ouest des États-Unis, par exemple, cela prend environ trois ans. Il faut d'abord que les galeries acceptent l'art esquimau.

Il faut ensuite que certains collectionneurs acceptent d'ajouter ces œuvres à leur collection. Et à ce moment-là, on peut s'adresser aux bons vendeurs.

Mais, nous ne voulons pas vendre des grandes quantités, mais, nous voulons vendre des quantités raisonnables au prix le plus élevé possible. Nous tentons de créer une pénurie artificielle et nous ajoutons de nouveaux marchés au fur et à mesure que nous avons plus d'œuvres à écouler. Nous voulons donc obtenir le prix le plus élevé qu'il est possible d'obtenir.

M. Cullen: Vous dites que vous avez 700 vendeurs dans bien des pays, mais vous avez 74 p. 100 de vos marchés ici, 22 p. 100 aux États-Unis et 4 p. 100 en Europe, où votre seule agence se trouve à Bonn. Est-ce que vous tentez de trouver d'autres débouchés? La Grande-Bretagne offre un vaste marché.

M. Pearson: Oui, notre agent à Bonn est un ancien membre du service extérieur qui, lorsqu'il a pris sa retraite, s'est offert à nous aider. Nous l'appelons agent pour cette raison. Nous avons des vendeurs en Angleterre et ailleurs. Nous avons tenu des expositions en Europe par l'entremise de ces marchands et le produit est donc disponible. Et la personne en question est un agent parce qu'elle aide à nous donner une certaine publicité et qu'elle est très compétente.

M. Cullen: Vous avez parlé du milieu, vous avez parlé des groupes qui ont des intérêts dans la culture des indigènes. Est-ce que cela constitue un handicap, êtes-vous très sensibles à ces questions?

M. Pearson: Nous y sommes peut-être trop sensibles, nous recevons des conseils constamment, cela ne nous inquiète pas tellement,

[*Texte*]

are constantly offering us advice. That does not concern us too much but we do get a great deal of criticism from various pressure groups and probably we have been unable to explain our position. For example, when I said we tried to get the highest price, we get many complaints from people—through government, perhaps through their member or through the Minister, or something like that—saying that we are charging exorbitant prices for the carvings. We have to go back through those channels and say that that is what we are in business for, that is our duty.

• 1205

We are also fairly actively criticized for exporting sort of a national heritage in the form of art, and again we have perhaps not been able to explain our position on this well enough, which is essentially that it is not our role to guard the national heritage. If people decide they want to put more money into purchasing art through the various museums across the country, then they can do so, but we must sell to the highest bidder, so to speak. If we can sell higher in the United States we will do so.

I acted as sort of interim general manager and at least 50 per cent of our time was spent in this kind of activity, justifying our existence to people in the art world, people in government or to parliamentarians who were perhaps concerned that some retail shop in their constituency was not getting a fair shake. This just creates a great shortage of management time. If the Northwest Territories government wants you to go up there and attend a meeting you have to go and you have to send your top man. We just do not have that management resource. We are working on 10 per cent and everything else, gentlemen, we have to get through Treasury Board and I am sure they would not look kindly upon us if we put in a budget for a public relations man at this juncture. We cannot do it, we do not have the money. That is the problem. It is the consumption of management time in trying to justify ourselves to these various groups.

Mr. Cullen: Have you made a pitch?

Mr. Pearson: To whom?

Mr. Cullen: To Treasury Board for a public relations man? I might add that members of Parliament could also use one.

Mr. Pearson: Is that right? Well, if you have a good one . . .

[*Interprétation*]

mais plusieurs groupes exercent des pressions et nous n'avons pas pu exposer suffisamment notre situation. Lorsque j'ai dit que nous cherchions à obtenir le prix le plus élevé, certains se plaignent, par l'entremise de leur député ou de leur ministre, du fait que nous demandons des prix exorbitants pour les œuvres d'art esquimaudes. Et il faut répondre que c'est notre devoir.

On nous critique également parce que nous exportons notre héritage national du point de vue artistique. Et nous n'avons pas pu tellement exposer notre point de vue. Essentiellement, c'est que notre rôle n'est pas de conserver l'héritage national. Si les gens veulent dépenser plus d'argent et acheter ces œuvres pour les musées, ils peuvent le faire, mais il faut tout de même vendre aux meilleurs acheteurs.

J'ai agi en qualité d'administrateur provisoire et au moins 50 p. 100 de notre temps est consacré à ce genre de justification. Nous devons justifier notre existence à tout le domaine artistique vis-à-vis le gouvernement, vis-à-vis les parlementaires qui s'inquiètent. On parle également de notre emplacement à Ottawa et ceci nous place dans une situation délicate, nous n'avons pas assez le temps. Et si nous devons assister à une réunion du gouvernement des Territoires du Nord-Ouest, nous n'avons pas le temps d'y aller. Nous devons réaliser des profits de 10 p. 100, nous devons passer par le Conseil du Trésor, et nous n'avons pas l'argent nécessaire pour engager quelqu'un qui tenterait de justifier à notre place ce qui en est. Voilà le problème. Nous perdons beaucoup de temps à nous justifier.

M. Cullen: Avez-vous essayé?

M. Pearson: Avec qui?

M. Cullen: Est-ce que vous avez demandé au Conseil du Trésor de vous donner un agent de relations publiques? Les députés pourraient aussi en avoir un.

M. Pearson: Vrai? Si vous en connaissez un bon. . .

[*Text*]

Mr. Cullen: Have you tried—and I am serious about this—to increase your budget or to increase the expenditure in order to secure someone who would fill the role?

Mr. Pearson: We took one step at a time on this. Perhaps that was not the right way to do it, but that is the way we played it. Our first step was to try to get the funds to travel to the North and see the people who produce for us. We were not capable of doing this for the first two years of our existence because we had no money. That was our first step. Last year Mr. Mitchell spent a good deal of time in getting around to see our people to tell them what CAP was all about, what it was trying to do, what its problems were and actually trying to relate to these people. He is fluent in Eskimo, so this is fairly easy for him to do. That was our first step. The second step, of course, is to get capitalization. Perhaps next year we will go after public relations.

Mr. Cullen: You have made your pitch with respect to capitalization. I am sorry, I did not mean to take up so much time, Mr. Chairman.

The Vice Chairman: Mr. Gundlock, I believe you have a supplementary?

Mr. Gundlock: Thank you, Mr. Chairman. I had one point in mind that I forgot to mention earlier having to do with representation of the native people. The Northwest Territories have an Indian and an Eskimo member on their council and I think the Yukon has an Indian member on its council I am wondering if they could not be included—even in an honorary way—in your organization?

Mr. Pearson: We would hope they would be.

Mr. Gundlock: Have you considered that? Have you asked them?

Mr. Pearson: Both Eric and I know Simone, for example. We are a company and we have a board of directors, and they are the people, who have to make that kind of a decision. We are sort of at the management level and we are not members of the board.

Mr. Gundlock: Could you consider this sort of thing?

Mr. Pearson: Yes, definitely.

Mr. Mitchell: We have requested it.

Mr. Gundlock: You have requested it?

Mr. Pearson: Yes.

[*Interpretation*]

M. Cullen: Est-ce que vous avez essayé—et je suis sérieux à ce sujet—d'accroître votre budget, ou vos dépenses, pour en obtenir un?

M. Pearson: Pour s'assurer les services de quelqu'un, nous avons fait un pas à la fois. C'est ce que nous avons fait jusqu'ici. Nous avons d'abord tenté d'obtenir les fonds nécessaires pour voyager dans le Nord. Nous n'avons pas pu le faire au cours des deux premières années. C'était donc la première étape. Et l'année dernière, M. Mitchell a passé beaucoup de temps à rencontrer les gens du CAP, on a tenté d'exposer quelle était la nature des problèmes, et on a également tenté de communiquer avec les gens, les Indiens et les Esquimaux.

Et c'était donc ce que nous avons fait au début. L'année prochaine, nous tenterons d'obtenir les capitaux nécessaires. L'année prochaine, nous pourrons peut-être nous occuper également de relations extérieures.

M. Cullen: Vous avez essayé d'obtenir des capitaux, je crois. Je m'excuse, monsieur le président, d'avoir pris autant de temps.

Le vice-président: Monsieur Gundlock, je crois que vous avez une question supplémentaire à poser?

M. Gundlock: Merci, monsieur le président. Je voulais poser une question que j'ai oubliée plus tôt. Elle porte sur les représentations de la population aborigène ou indigène. Au sein du conseil des Territoires du Nord-Ouest il y a des Indiens, de même que dans le conseil du Yukon, je me demande si ces membres ne pourraient pas faire partie à titre honoraire de votre organisation?

M. Pearson: Nous l'espérons.

M. Gundlock: Avez-vous songé à cela, les avez-vous pressentis?

M. Pearson: Eric et moi-même connaissons Simone. Nous sommes une société, nous avons un conseil d'administration et c'est le conseil d'administration qui doit prendre ces décisions. Mais nous ne faisons pas partie du conseil d'administration.

M. Gundlock: Pouvez-vous envisager cette possibilité?

M. Pearson: Oui, certainement.

M. Mitchell: Nous l'avons fait.

M. Gundlock: Vous l'avez demandé?

M. Pearson: Oui.

[*Texte*]

Mr. Gundlock: Have you received an answer?

Mr. Pearson: I think it is part of capitalization, which also includes a restructuring to some extent, and it is my understanding, although I do not know the status of that proposal, that along with this will go a new board of directors, if you will, with Eskimo representation on it.

• 1210

Mr. Gundlock: Thank you, Mr. Chairman.

The Vice Chairman: Mr. Thomson?

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, some of the questions I had in mind have been answered. I would first like to make a comment in regard to the Co-operative Union which Mr. Deakon raised earlier. Eskimo co-operatives can also be members of the Co-operative Union?

Mr. Pearson: Yes.

Mr. Thomson (Battleford-Kindersley): But because of their small number they obviously would not have a big voice in the purposes of the Union but they do have a democratic voice in the Co-Op Union. I just wanted to make sure that this was on the record and understood, and I think Mr. Deakon understands this too.

In reference to capitalization, did you consider borrowing money?

Mr. Pearson: We did very definitely consider borrowing money, and on bended knee. We are told that we are dedicated to losing money as a company. They say, "You only have $5.00 invested capital, how about $2.50 borrowings?" You see, we have nothing to support it.

Mr. Thomson (Battleford-Kindersley): I was thinking perhaps from government.

Mr. Pearson: We have discussed this with credit unions, private sources such as banks and so on and they say there is really no way they can justify it because we have no ability to pay them back.

Mr. Thomson (Battleford-Kindersley): I thought you were going to suggest that you might ask some other co-operative to sign or back your note.

Mr. Pearson: We have also been to our mentors, the CUC, who certainly control the majority of our board, a number of times requesting funds but that does not seem to be their business either.

[*Interprétation*]

M. Gundlock: Est-ce que vous avez eu une réponse?

M. Pearson: Je crois que cela fait partie de nos projets de capitalisation qui impliquent la restructuration de l'organisation, et si je comprends bien, d'après cette proposition, nous aurons un nouveau conseil d'administration qui comptera des représentants esquimaux.

M. Gundlock: Merci, monsieur le président.

Le vice-président: Monsieur Thomson?

M. Thomson (Battleford-Kindersley): Monsieur le président, quelques-unes des questions que j'avais à l'esprit ont été répondues. Mais, j'aimerais faire une observation au sujet de la Co-operative Union dont M. Deakon a fait mention plus tôt. Les Esquimaux peuvent faire partie de cette Union?

M. Pearson: Oui.

M. Thomson (Battleford-Kindersley): Mais vu leur petit nombre ils n'auraient pas grand voix au chapitre de cette union, mais tout de même, ils peuvent participer démocratiquement. Je voulais simplement m'assurer que tout cela était compris. Mais pour ce qui est de la capitalisation, est-ce que vous avez envisagez d'emprunter de l'argent?

M. Pearson: Bien sûr, nous avons certainement envisagé la question d'un emprunt. On dit que la société est vouée à perdre de l'argent. On nous dit: «vous n'avez que cinq dollars de capital investi, pourquoi pas emprunter $2.50.» Nous n'avons rien comme garantie.

M. Thomson (Battleford-Kindersley): Mais peut-être pouvez-vous l'obtenir du gouvernement.

M. Pearson: Bien sûr. Un syndicat ou une banque pourraient nous offrir un prêt. Nous en avons d'ailleurs discuté avec eux, mais il n'y a aucun moyen pour nous de garantir un prêt.

M. Thomson (Battleford-Kindersley): Je pensais que vous auriez proposé qu'une autre coopérative soit co-signataire ou garantisse l'emprunt.

M. Pearson: Nous avons aussi parlé aux administrateurs de la CUC, qui contrôlent notre conseil, et nous leur avons demandé des fonds à plusieurs reprises, mais cela ne semble pas les occuper.

[*Text*]

Mr. Thomson (Battleford-Kindersley): It was just a suggestion. Returning to Eskimos and this million dollar business, approximately what percentage of this amount would the Eskimos receive?

Mr. Pearson: It is $900,000, but we do not differentiate between the co-operative and the individual. It is his organization and it is their problem after that.

Mr. Thomson (Battleford-Kindersley): Mr. Churchman, just what relationship have you and the development branch to CAP? Do you have any authority or do you deal with them at all?

Mr. Churchman: Mr. Chairman, we are the subsidizers—we pick up the debts of the operation.

Mr. Thomson (Battleford-Kindersley): You would not consider loaning them some money too?

Mr. Churchman: I would not say we would not consider loaning money. It has already been mentioned that they need re-capitalization and re-structuring, and this is under active consideration right now. A proposal has been put to us which we have passed on because it is one of those things beyond our capacity to approve. Consideration is being given right at the moment to a re-capitalization which, if it was accepted in full, would take care of the needs put forward by management at the present time.

Mr. Thomson (Battleford-Kindersley): I just wanted to hear you say it.

Mr. Churchman: I wanted to get on record on that one.

Mr. Pearson: We have asked for more than debt, by the way. We do not want the debt load to carry.

Mr. Thomson (Battleford-Kindersley): I wish you well. In looking at Eskimo art I notice that my tastes seem always to run to the highest priced piece. Believe me, they seem to be quite high—at this end anyway.

Mr. Pearson: If I may interject on a note of levity, we have a very unusual pricing practice. All art is priced by about three people in the organization. We do not average this or anything like that. We take the highest on the basis that there must be somebody else in the world that has the same remote taste as that individual has. It is high—it is very high.

[*Interpretation*]

M. Thomson (Battleford-Kindersley): Ce n'était qu'une proposition. Maintenant parlons des Esquimaux. On parle d'un chiffre d'affaires d'un million de dollar. Quelle proportion serait la part des Esquimaux?

M. Pearson: A peu près $900,000. Nous ne faisons aucune distinction entre la coopérative et les particuliers.

M. Thomson (Battleford-Kindersley): Une autre question monsieur Churchman: quel est le lien entre votre ministère et la CAP. Faites-vous affaire avec elle, exercez-vous un certain contrôle?

M. Churchman: Monsieur le président, nous subventionnons le déficit de l'exploitation.

M. Thomson (Battleford-Kindersley): Est-ce que vous envisageriez de leur faire un prêt?

M. Churchman: Nous ne l'envisageons pas. On a déjà proposé, de restructurer la CAP et de refaire sa capitalisation, mais ce ne sont pas des choses que nous envisageons maintenant. Nous avons pris connaissance de cette proposition. Voilà une chose qui dépasse notre compétence. Nous étudions cette question de recapitalisation et si elle est acceptée, elle répondra aux besoins de la société, besoins exprimés par sa direction.

M. Thomson (Battleford-Kindersley): Je voulais justement que vous le disiez.

M. Churchman: Je voulais que cette question soit versée au dossier.

M. Pearson: Nous ne voulons pas prolonger la dette, en effet.

M. Thomson (Battleford-Kindersley): A ce sujet, monsieur le président, pour ce qui est de l'art esquimaux, j'ai noté que mes goûts semblent toujours se porter aux objets très dispendieux. Croyez-moi, il me semble que les prix sont très élevés.

M. Pearson: Puis-je simplement dire que nous avons un régime de prix inusité, mais enfin tous les prix sont fixés par trois personnes dans l'organisation, et nous prenons toujours le prix le plus élevé, sans faire la moyenne, car nous croyons qu'il y a quelqu'un, quelque part, qui voudra payer ce prix pour satisfaire son goût. Bien sûr, le prix est élevé, très élevé.

[*Texte*]

• 1215

Mr. Mitchell: It is a case of trying to find the market. Three years ago we practised a comon form of business called merchandising. We went into the art galleries of the country and found out that where the laws of nature had worked molten bronze into a certain shape that object carried a price of $2,000. We felt that we had something compatible, if not better, and why not a price of $2,000 for a piece of this preconceived, excellently executed work. We took the Eskimo art out of the shop and put it into the art gallery and the art world, which functions through the art galleries, accepted it.

This has brought about a lot of complaints from a number of dealers who say there are no more good Eskimo carvings, that they are all over-priced and of poor quality. This is not necessarily so. It just means that in the last three years the good pieces are no longer to be found in the shops. The good pieces are now where they belong and where we can get a proper price for them. They compete as contemporary pieces of sculpture in the art market. We have people who come to us and say, "look, my students can no longer buy Eskimo carvings because they are too high priced". That is too bad for the students, but how about the Eskimos? This is truly how we look upon it. We ourselves do not make the money. We retain only ten per cent and try to remit as much as we can back to the North.

Mr. Thomson (Battleford-Kindersley): Well, I have to compliment you on your sucess in this respect.

Mr. Chairman, I wonder about the address of the office here in Ottawa.

Mr. Pearson: We would be delighted to have anybody come down. We have a showroom and the warehouse and you can spend all the time you want. The address is 141 Catherine Street.

Mr. Thomson (Battleford-Kindersley): Thank you.

The Vice-Chairman: Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, quite a few questions I had prepared have been answered, but I would like to ask a number of questions in the financial area.

To begin with, could we have the figures of the deficit being covered by the department in each of the years and those deficits in relation to sales?

[*Interprétation*]

M. Mitchell: Il faut trouver un débouché. Il y a quelques années, nous nous sommes adressés à des galeries d'art, et dans certains cas, il y avait des objets façonnés par le hasard, sans conception préalable, qu'on faisait passer pour des objets d'arts, au prix de $2,000. Mais nous croyions que nos objets étaient beaucoup mieux, et qu'il était ridicule de demander deux mille dollars pour un objet comme ceux-là. Nous avons pris les sculptures esquimaudes, nous les avons exposés dans des galeries d'art, et le monde artistique les a acceptées.

Cela a suscité plusieurs plaintes de la part des détaillants qui disaient qu'il n'y avait plus de bonnes sculptures esquimaudes, qu'elles étaient trop chères et de mauvaise qualité. Ce qui n'est pas nécessairement vrai. Cela veut dire que les objets de qualité ne se trouvent plus dans les magasins depuis trois ans. Ces objets sont maintenant placés là où ils peuvent se vendre, et à bon prix, là où ils doivent être. Comme sculptures contemporaines, ils concurrencent dans le marché de l'art. Il y a des gens qui disent: «Les étudiants ne peuvent plus acheter de sculptures esquimaudes! C'est trop cher!» C'est dommage, mais pensons aux esquimaux aussi. Nous-mêmes, nous ne faisons pas d'argent. Nous ne retenons que 10 p. 100 des profits de l'entreprise, dont nous essayons de rapatrier la plus grande partie possible vers le Nord.

M. Thomson (Battleford-Kindersley): Je vous félicite de vos succès.

Monsieur le président, quelle est l'adresse des bureaux à Ottawa?

M. Pearson: On sera heureux de vous y accueillir. Il y a une salle d'exposition et un entrepôt qui se trouve à 141, rue Catherine, à l'ouest d'O'Connor.

M. Thomson (Battleford-Kindersley): Merci.

Le vice-président: Monsieur O'Connell.

M. O'Connell: Monsier le président, on a répondu à plusieurs questions que j'avais déjà préparé. J'aimerais poser certaines questions dans le domaine financier. Tout d'abord, pourrions-nous avoir des précisions quant au déficit couvert par le ministère, pour chacune des années d'exploitation, et comparer ces chiffres au chiffre de vente?

[*Text*]

Mr. Mitchell: I have here last year's deficit and the proposed deficit for the year 1969-70. Our total deficit for the year 1968-69 was $157,600, based on $800,000 sales volume. Our proposed deficit for 1969-70, starting on April 1, based on a sales volume of $1 million, is $180,000.

Mr. O'Connell: Can you go back one year before that?

Mr. Pearson: It runs roughly about the same percentage.

Mr. O'Connell: 18 to 20 per cent. Yes, about that. We calculate that it costs about 30 per cent to operate.

Mr. O'Connell: That is ten per cent commission and twenty per cent deficit.

Mr. Pearson: That is about it.

Mr. O'Connell: That makes roughly 30 per cent.

Mr. Pearson: Somewhere between 28 and 32. Hopefully it is on the declining swing as our volume increases.

Mr. O'Connell: That is what I was trying to get at.

Mr. Pearson: Yes.

Mr. O'Connell: Is the trend to a decreasing deficit as sales increase.

Mr. Pearson: Yes. It is. It will not decrease a great deal. About 25 to 28 per cent will be about as low as it probably will get in the foreseeable future of sales increases. It is a very expensive product to merchandise.

• 1220

Mr. Mitchell: Part of the high operating cost is because the company is committed to an Eskimo training program. We are committed to Arctic travel. We are committed to market development, promotion and advertising publications. The high cost of Arctic travel is not usually encountered by organizations in the South.

They are not committed to Eskimo training programs. We cannot operate the company on Eskimos alone. We must have a back-up staff of competent people and, hopefully, as we train Eskimos they will fulfil their functions. But we cannot operate on a training program, we must operate with a competent staff. These are costs that are not normally encountered in usual business practices.

[*Interpretation*]

M. Mitchell: L'an dernier, le déficit était de $157,000 environ pour des ventes de $800,000. Et pour 1969-1970, d'après un volume de vente prévu d'un million de dollars, le chiffre est de $180,000.

M. O'Connell: Pourriez-vous remonter une année de plus en arrière?

M. Pearson: C'est à peu près le même pourcentage, de 18 à 20 p. 100. Nous avons calculé qu'il nous faut une marge de 30 p. 100 pour pouvoir exploiter l'entreprise.

M. O'Connell: Donc, 10 p. 100 pour la commission et 20 p. 100 de déficit.

M. Pearson: A peu près.

M. O'Connell: Cela revient à peu près à 30 pour cent.

M. Pearson: C'est environ de 28 à 32 p. 100. Nous espérons réduire ce pourcentage à mesure que nos ventes augmentent.

M. O'Connell: C'est justement ce que je voulais dire.

M. Pearson: Bon.

M. O'Connell: Le déficit baisse-t-il à mesure qu'augmentent les ventes?

M. Pearson: Oui, le déficit ne tombera pas beaucoup. Il n'ira jamais plus bas que 25 p. 100 dans un avenir prévisible. C'est une exploitation très coûteuse.

M. Mitchell: Le coût élevé de l'exploitation découle du fait que nous avons un programme de formation des Esquimaux. Il ya aussi les déplacements, la promotion des marchés, la publicité dans des revues. Les frais élevés de déplacement dans l'Arctique n'existent pas dans le sud.

Les organismes du sud n'ont pas à former les Esquimaux. Nous pouvons réussir notre exploitation à l'aide seulement des Esquimaux. A mesure que nous formons les indigènes, ils pourront remplir leurs fonctions. Nous ne pouvons fonctionner seulement avec un programme de formation: il nous faut un personnel compétent. Ce sont là des frais que les autres entreprises n'ont pas à subir.

[*Texte*]

Mr. Pearson: You will also recognize, of course, that our inventory fluctuations are very wide. We have to take things in very heavily at certain times of the year, like at the sea-lift time, and carry those over.

Mr. O'Connell: Would you say that the shortage of working capital adds to the cost of the operation? Or if I put it around the other way, would substantial infusion of working capital tend to reduce the deficit requirement?

Mr. Mitchell: Yes, I think so.

Mr. O'Connell: Could you try to indicate how, and perhaps measure it?

Mr. Pearson: I do not think that it is going to...

Mr. Mitchell: In the accounting, of course.

Mr. Pearson: Yes, it will reduce our accounting cost. We now have to run about 28 to 30 little businesses in order to cover accounts receivable, and account for accounts receivable in inventory, of course. It probably will not reduce it substantially because that will be partially offset by the cost of capital that we have to absorb as an organization. The question as to what our deficit is depends really, I suppose, on the government's policy as to how much subsdization of Eskimo and Indian people they want. In other words, if they want to over-pay for production, then that is the government's business. We tell them essentially what we require. We give them a full report of our budgets and our forecasts and where all the money is being spent, and then we say we will take 10 per cent mark-up or we will take 15 per cent mark-up, or whatever. It is possible to be self-sufficient, but then the one who pays for it, of course, is the co-operative or the carver.

Mr. O'Connell: Yes, that was the point I was going to come to. If you had the working capital you would be paying as you purchase the goods, presumably, rather than taking on consignment. What additional power or influence would this therefore give you over the production process? Would you be paying that kind of price that would lead to a break-even point, or would you be paying that kind of price which was being set by the co-operative in view of the fact that it has perhaps other outlets too? Is the situation competitive enough, given working capital, that the price paid to the producer would not be lowered by the fact of your working capital?

[*Interprétation*]

M. Pearson: Vous remarquerez que notre inventaire fluctue beaucoup, qu'à un certain moment, il est très élevé. Nous devons entreposer les objets à certaines époques de l'année, notamment jusqu'à la saison de la navigation, avant de pouvoir les transporter.

M. O'Connell: Diriez-vous que la pénurie de fonds de roulement ajoute aux frais d'exploitation? Or, si vous voulez un fonds de roulement plus élevé, pourrait-il réduire le déficit?

M. Mitchell: Oui, je crois.

M. O'Connell: Pourriez-vous nous indiquer dans quelle mesure?

M. Pearson: Je ne crois pas qu'il va...

M. Mitchell: Au point de vue comptabilité, bien sûr.

M. Pearson: Je ne crois pas que cela réduirait notre déficit comptable, bien sûr, pour acquitter nos comptes payables etc. Cela ne réduirait pas sensiblement notre déficit à cause des frais de capitalisation que nous devons absorber. Il s'agit de déterminer quel est notre déficit. Je suppose que la politique gouvernementale est de voir dans quelle mesure il faut subventionner les Esquimaux, dans ce domaine. Par conséquent, si le gouvernement veut payer un prix plus fort, pour la production, c'est son affaire. Ce que nous voulons, pour boucler notre budget, c'est d'établir quelles sont nos dépenses et de calculer un profit quelconque, 10 ou 15 p. 100. Il est possible que notre entreprise soit rentable, mais celui qui doit payer, bien sûr, c'est la coopérative ou le sculpteur.

M. O'Connell: C'est justement la question que je voulais soulever. Si vous aviez les fonds de roulement nécessaires, vous acquitteriez les objets à mesure qu'ils sont produits? Quelle autorité ou quelle influence vous faudrait-il pour accroître cette procédure? Est-ce que vous paieriez ces prix si vous vouliez obtenir la rentabilité, vu que les coopératives ont d'autres débouchés, d'ailleurs, est-ce que la situation est concurrentielle? Supposant que vous ayez plus de fonds de roulement, ne croyez-vous pas que les prix versés aux producteurs pourraient être moins élevés en ce cas-là?

[*Text*]

Mr. Pearson: Again, I think it is up to the government to decide whether they want to continue a policy of subsidizing the Eskimo co-operatives through CAP. They could perhaps subsidize them directly. I really do not know. I do not think there is any question that we could compete on a break-even proposition.

Mr. O'Connell: Would you be better off if you had a budget financed by the Department for training and developmental purposes that was not in any way connected with your marketing arrangements?

Mr. Pearson: This is another area which we have proposed, and my understanding is that the Department is giving it consideration. Where we are involved in activities which are not normal business activities in a competitive business sense, we would ask for contract support, in other words contracts from the Department for performing these activities.

Mr. O'Connell: I would think that would be a very sound move in that the components of a subsidy would therefore be pointed out and clearly identified and budgeted for in annual appropriations.

• 1225

Mr. Pearson: Yes, and indeed they are now, because these can be pulled out of the contracts proposals that we put in, which are very detailed. They go down to salary budgets and everything else.

Mr. O'Connell: Would you care to estimate what proportion of the sales volume, in order to put it closer into the deficit if you like, would actually be accounted for by these extra activites, the training and developmental activities?

Mr. Pearson: I would not, off the top of my head. That is probably not the place to talk from.

Mr. O'Connell: You would do a great deal more if you could, presumably?

Mr. Pearson: Do a great deal more? We could spend more money?

Mr. O'Connell: Yes.

Mr. Pearson: Oh, definitely.

Mr. O'Connell: In that area, I would add.

Mr. Pearson: Very definitely, with little trouble. I would think about one-third. Our present deficit is...

[*Interpretation*]

M. Pearson: Encore une fois, je crois qu'il appartient au gouvernement de décider s'il veut poursuivre sa politique de subventions aux Coopératives esquimaudes, par l'entremise de notre Société. Il pourrait peut-être les subventionner directement? Je l'ignore vraiment, mais il est sûr que nous ne pouvons faire la concurrence et être rentable.

M. O'Connell: Les choses iraient-elles mieux si vous aviez un budget financé par le ministère pour la formation du personnel? Et qui serait tout à fait en dehors des travaux de commercialisation?

M. Pearson: On l'a déjà proposé et, si je comprends bien, le ministère a cette proposition à l'étude. Notre activité, en elle-même, n'est pas essentiellement commerciale. Jusqu'à un certain point, nous aimerions qu'on appuie nos contrats, c'est-à-dire qu'un ministère voit à ce que les choses se fassent.

M. O'Connell: Je crois que ce serait la meilleure chose à faire, de voir à ce que nos besoins soient clairement identifiés et qu'on les inclue dans le budget.

M. Pearson: Aujourd'hui, cela est tiré des propositions que nous avons faites, qui sont très détaillées et il est question du budget des salaires, etc.

M. O'Connell: Pourriez-vous estimer quelle portion du volume des ventes, ou, si vous voulez, plus précisément, serait comptable à partir de ces activités supplémentaires, de la formation, etc.?

M. Pearson: Je ne voudrais pas parler en ignorance de la chose. Ce n'est probablement pas le moment d'en parler.

M. O'Connell: Vous aimeriez faire beaucoup plus, si vous le pouviez?

M. Pearson: Beaucoup plus? Nous pourrions dépenser plus d'argent?

M. O'Connell: Oui.

M. Pearson: Certainement.

M. O'Connell: Dans ce domaine, devrais-je ajouter.

M. Pearson: Très certainement, avec un peu d'ennuis. Je dirais que c'est environ le tiers. Notre déficit actuel est ...

[*Texte*]

Mr. O'Connell: It could be attributable to those...

Mr. Pearson: Yes. A very high percentage, at this particular juncture, is in Arctic travel.

Mr. O'Connell: Mr. Chairman, I do not have very much more in the way of questions except perhaps to make a comment, if you would permit me, at the end. I had a question, but it may have been answered. I wanted to ask what is the size of the 10 per cent commission related to the sales volumes? Is it 10 per cent of the figure that you quote here, this $100,000?

Mr. Pearson: Yes. If we stand to sell a million dollars, then we retain $100,000, 10 per cent of our selling price.

Mr. O'Connell: That is what you relate here as your invoice price?

Mr. Pearson: That is right.

Mr. O'Connell: Before I come to the comment, I have one other question. You refer on page 9 to a restructuring of the organization, and presumably this is related to capitalization. Could you indicate what was in your mind concerning the restructuring of the organization?

Mr. Pearson: How we would get the government to put equity money into an operation was one of the things that was very definitely in mind. What kind of a corporate structure would they require in order to fulfil their obligations, presumably in the spending of public funds or whatever it is? That was one of the major ones. The second one was, of course, to get a better representation, as has already been brought up, of Northern Indian and Eskimo people on our Board and also perhaps a better representation of the business community or people who could be of active use to us, as a board of directors.

Mr. O'Connell: Mr. Chairman, the comment I was going to make is perhaps premature owing to the fact that we have not seen the proposal for a new financial structure that CAP is presenting to the government. But it would seem to me reasonable that the Government of Canada would take a larger equity position than $5. It would seem to me it ought to be in the nature of perhaps $200,000 of equity capital, something in that order, say 20 per cent of sales, and that would then put the company in the position to go into the commercial markets to borrow on the basis of a modest equity position, if it wished to. If the company is operating quite successfully

[*Interprétation*]

M. O'Connell: On pourrait l'attribuer à ces ...

M. Pearson: Oui. Dans la conjoncture actuelle, une grande partie de nos frais vont aux déplacements dans l'Arctique.

M. O'Connell: Monsieur le président, je n'ai plus d'autres questions à poser. Si vous me permettez une observation; oui, j'ai une question que j'ai omis de demander, mais on y a peut-être répondu. Au sujet de la commission de 10 p. 100 concernant le volume des ventes, s'agit-il de 10 p. 100 des chiffres que vous venez de citer, ces $100,000?

M. Pearson: Oui, si nous vendons pour un million de dollars, nous retenons $100,000, soit 10 p. 100 de notre prix de vente.

M. O'Connell: Ce que vous appelez ici le prix de facture?

M. Pearson: En effet.

M. O'Connell: Avant de passer à mon observation, j'ai une autre question à poser. Si on fait allusion, à la page 9, à la restructuration de l'organisation, je suppose qu'il est question de la capitalisation? Qu'envisagez-vous, à ce moment-là, en fait de restructuration?

M. Pearson: Vous voulez que le gouvernement vous accorde des fonds à votre exploitation, mais quelle genre de structure le gouvernement demanderait-il pour l'acquittement des obligations? Justement, c'est une des choses principales. La deuxième chose, c'est d'avoir une représentation plus élevée de la population esquimaude et indienne et aussi une représentation plus élevée de la collectivité industrielle, qui pourrait nous être utile, au sein de notre conseil d'administration.

M. O'Connell: Monsieur le président, mon observation est peut-être trop hâtive, car nous n'avons pas vu les propositions au sujet de la restructuration financière proposée devant le gouvernement, mais il me semble que le gouvernement pourrait accroître ces facilités de financement, il pourrait peut-être fournir $200,000, mettons 20 p. 100 des ventes, par exemple, ce qui permettrait à la Société d'être en mesure d'affronter les marchés commerciaux et de contracter un prêt. Si la Société le veut, et je ne vois pas si la Société est assez rentable, si le déficit est plus ou moins instable, par rapport aux ventes, mettons 20 p. 100, je ne vois pas pourquoi le

[*Text*]

and the deficit seems to have some stability to it in relation to sales, say 20 per cent, I do not see why the Department could not advance monies in the beginning of the year rather than covering the deficit at the end of the year. The financial situation appears to have stabilized somewhat.

Mr. Pearson: Yes. The Department does not advance us money on a subsidy basis. They pay us money on the basis of a contract that we propose to them. We say that here is what we forecast our sales levels to be, here is what it is going to cost to operate, here is what we can get as a result of our 10 per cent commission position. Here is our cash flow, and therefore this is when we will require funds in the business. We operate very close to a zero cash position by month, so that they do pay us in advance. In other words, they will pay us on quarterly instalments in advance.

• 1230

Mr. O'Connell: Where does your working capital requirement come in?

Mr. Pearson: Where do we require working capital?

Mr. O'Connell: Yes.

Mr. Pearson: To finance inventory and accounts receivable.

Mr. O'Connell: Is that not in your contract with the Department?

Mr. Pearson: No. Our contract is only to cover operating costs, that is, salaries, rents...

Mr. O'Connell: So you need permanent capital which is...

Mr. Pearson: All our furniture, fixtures, and warehouse equipment is rented.

Mr. O'Connell: If you had some permanent equity capital of a few hundred thousand dollars from the government you would still presumably need more than that for working capital, would you not? What is your estimate of working capital today?

Mr. Pearson: I think we would have to go into the whole thing. It will run probably as high as $600,000, or so, at certain times of the year, if we follow a policy of prompt repayment.

You have to remember that the receipt of goods from the Arctic is not even. Inventories

[*Interpretation*]

ministère ne pourrait pas avancer des fonds au début de l'année plutôt que de couvrir le déficit à la fin de l'année. La situation financière paraît plus ou moins stabilisée.

M. Pearson: Oui, mais le ministère n'avance pas d'argent sous forme de subventions, il acquitte le coût des contrats que nous lui proposons. Nous lui disons: «Voici les prévisions de nos ventes, voici ce qu'il nous en coûte pour exploiter notre entreprise, voici ce qu'il nous faut pour avoir notre commission de 10 p. 100, voici notre chiffre d'affaires, voici ce que nous exigeons». Et, en fait, nous exploitons l'entreprise avec plus ou moins d'argent en caisse. Par conséquent, le gouvernement pourrait nous payer des versements trimestriels.

M. O'Connell: Mais quelles sont vos exigences en fait de fonds de roulement?

M. Pearson: Quand avons-nous besoin de fonds de roulement?

M. O'Connell: Oui.

M. Pearson: Pour financer l'inventaire et les comptes à recevoir.

M. O'Connell: N'est-ce pas précisé dans le contrat que vous avez passé avec le ministère?

M. Pearson: Non. Le contrat ne porte simplement que sur les frais d'exploitation, c'est-à-dire les traitements, les loyers...

M. O'Connell: Vous avez donc besoin d'un capital permanent qui...

M. Pearson: Tous nos meubles, nos accessoires et notre matériel d'entrepôt sont loués.

M. O'Connell: Si vous disposiez d'un capital permanent de quelques cent mille dollars venant du gouvernement par exemple, vous auriez besoin de plus que cela comme fonds de roulement? Quel est selon vous le montant de fonds de roulement que vous devez avoir aujourd'hui?

M. Pearson: Je crois que nous aurions à étudier toute l'affaire. Le montant s'élèvera à près de $600,000 à certains moments de l'année, si nous suivons une politique de remboursement rapide. Vous devez vous rappeler que l'arrivage des marchandises en provenance de l'Arctique n'est pas régulier. Les

[*Texte*]

are extremely high in the fall, when the sea lift comes in, so that it is very easy to have $300,000 to $400,000 dropped on your doorstep with inventory.

Mr. Thomson (Battleford-Kindersley): On a supplementary, Mr. Pearson, if you had, shall we say, $400,000 you could borrow a little?

Mr. Pearson: Oh, yes.

Mr. O'Connell: What you need is equity capital so that you can go and borrow from commercial sources—five dollars being insufficient?

Mr. Pearson: The $5 is not departmental money or government money, by the way.

The Vice-Chairman: Does that complete your questioning, Mr. O'Connell?

Mr. O'Connell: Yes.

Mr. Simpson: Mr. Chairman, Mr. O'Connell has covered a number of the questions I intended to ask, but this brief has been handed to me. I assume it is an up-to-date brief, and I see it mentions that the Board has a staff of 22. Is that current?

Mr. Mitchell: That is as of today.

Mr. Simpson: You mentioned that you had a representative, or an agent, in Bonn, and that you had dealers in other countries. Do the 22 include agents outside Canada? Are they on staff?

Mr. Mitchell: No; they work on a straight percentage basis, on sales volume.

Mr. Simpson: They work on a straight percentage. Therefore, the 22 are pretty well all employed here in Ottawa?

Mr. Mitchell: All employed in Ottawa.

Mr. Simpson: I notice you say, "CAP was founded in 1965 as a central marketing agency for the arts and crafts program of the Department of Northern Affairs and Natural Resources". Can you say whether it was an idea of the Department, or did a group of people approach the Department with this idea?

[*Interprétation*]

inventaires sont extrêmement élevés à l'automne quand le convoi par mer arrive. Aussi est-il très facile d'avoir $300,000 ou $400,000 d'objets en inventaire.

M. Thomson (Battleford-Kinderley): Question supplémentaire. Disons que vous avez $400,000, vous pourriez emprunter un peu?

M. Pearson: Oh oui, exactement.

M. O'Connell: Ce dont vous avez besoin, c'est du capital action qui vous permette d'emprunter des établissements commerciaux, cinq dollars étant insuffisant.

M. Pearson: Si le $5 n'est pas de l'argent du ministère ou du gouvernement.

Le vice-président: Est-ce que cela complète les questions que vous vouliez poser M. O'Connell?

M. O'Connell: Oui.

M. Simpson: Monsieur le président, M. O'Connell a traité de certains sujets que je voulais aborder moi-même mais le mémoire qu'on nous a présenté, je présume que c'est un document à jour. Il mentionne en particulier que l'on a un personnel de 22. Est-ce en ce moment?

M. Mitchell: Oui, c'est à compter d'aujourd'hui.

M. Simpson: Vous mentionnez que vous avez un représentant ou un agent à Bonn et que vous avez des vendeurs dans d'autres pays. Est-ce que le 22 comprend les agents à l'extérieur du Canada? Font-ils parti du personnel?

M. Mitchell: Non, ils ne sont pas compris dans le personnel; ils travaillent sur une base de pourcentage, selon le volume de leurs ventes.

M. Simpson: Ils travaillent donc au pourcentage. Donc les 22 sont presque tous employés ici à Ottawa?

M. Mitchell: Oui, tous sont employés d'Ottawa.

M. Simpson: Je remarque que vous déclarez que la SPA a été fondée en 1965 comme organisme central de commercialisation pour le programme des œuvres d'art et d'artisanat esquimaux. Le programme mis en œuvre par le ministère des Affaires indiennes et du Nord canadien. Est-ce que cela est une idée du ministère ou si c'est un groupe de personnes qui est venu voir votre ministère pour y proposer cela?

[*Text*]

Mr. Mitchell: I believe the concept of the central marketing organization for arts and crafts arose out of a cooperative conference at Frobisher Bay in 1963 or 1964; I cannot remember which.

Mr. Simpson: How has the staff increased over the years? I assume one, or possibly both, of you gentlemen have been with CAP...

Mr. Pearson: I am retired.

• 1235

Mr. Simpson: Mr. Mitchell, have you been with CAP...

Mr. Mitchell: Yes, from the founding of the company. The staff has increased in proportion to the expansion of the operation.

CAP started off with four people. We had a part-time, half-day secretary-cum-bookkeeper and eventually we had a full-time secretary, and so on. As the sales volume increased the company went throught various forms of expansion.

When the company started there was a fenced-up demand for Eskimo arts and crafts. This demand was met after the first eighteen months of operation. To expand it was essential that new demand must be created, that we must get out into more geographically remote markets and create new demands. To do this required sales staff, and we increased the sales and all relative functions that are connected with usual business operations. Therefore, in the course of three years we have gone from four people, doing something like $100,000 worth of business, to our present volume which requires 22 people.

Mr. Simpson: Without intending to pry, or be at all personal in this, I am interested in the make-up of this organization. At the beginning, who appointed you? I ask that because I am going to follow up with a question on how you recruit your staff at this particular stage of the operation. In the beginning, how was the organization formed in relation to the original employees, or the general manager at the time?

Mr. Mitchell: It is quite a story.

Mr. Pearson: It is very long and involved. None of these things happen easily. The company was formed mostly, or in good part, through the auspices of the department, and they agreed to assist it financially.

Mr. Mitchell was available and he had the characteristics, of course, that everyone was

[*Interpretation*]

M. Mitchell: Je crois que le concept d'un organisme central de commercialisation pour les œuvres d'art et d'artisanat a pris naissance lors d'une conférence sur les coopératives à Frobisher Bay, en 1963 ou 1964, je ne me rappelle pas de la date exacte.

M. Simpson: Combien de personnel s'est-il accru au cours des années? Je présume que vous deux peut-être, messieurs, avez fait partie de CAP.

M. Pearson: Moi, je suis à la retraite.

M. Simpson: M. Mitchell, avez vous fait partie de CAP?

M. Mitchell: Oui, je suis avec la compagnie depuis sa fondation. Le personnel s'est accru en fonction de l'expansion de l'entreprise. Au début, il y avait trois ou quatre personnes. Nous avions une secrétaire à temps partiel, qui travaillait aussi comme comptable; nous avons eu ensuite une secrétaire à plein temps. Avec l'accroissement des ventes la société a connu diverses formes d'expansion.

Quand la société a commencé il y avait une demande restreinte d'objets d'art esquimaux. Elle a satisfait à cette demande après 18 mois de fonctionnement. Pour assurer un accroissement continu il était important de créer de nouveaux marchés, et de chercher des marchés dans les endroits géographiquement plus éloignés pour créer ces demandes. On avait besoin de vendeurs et on a augmenté les ventes et toutes les fonctions connexes au monde des affaires ordinaires. Par conséquent, au cours de trois ans il y a eu une augmentation de 4 personnes, faisant des affaires d'une valeur de $100,000, au volume actuel qui nécessiterait 22 personnes.

M. Simpson: Sans être indiscret ou trop personnel je voudrais connaître la structure de cette organisation. Au début, qui vous a nommés? Cela m'intéresse parce que je poserai une question complémentaire à ce sujet. Comment recrutez-vous votre personnel à ce moment en particulier. Au début, quelle était la formation des premiers employés et du gérant général à ce moment-là?

M. Mitchell: C'est une longue histoire.

M. Pearson: C'est une longue histore en effet. Ces choses ne se font pas facilement. La société a été créée, en bonne partie sous les auspices du ministère, qui a consenti à lui apporter l'aide financière.

M. Mitchell est venu nous prêter main forte. Il avait bien sûr toutes les qualités

[*Texte*]

looking for—one of the major ones being that he knew the North and was fluent in Eskimo.

Now, of course, the staff is hired as in any other business. If we require a warehouseman, or an accounting clerk, or a secretary, or someone of this nature, we go out on the job market and retain them. To get management people and senior sales people is more difficult, and we hope that capitalization restructing will help this along.

It is difficult to get a manager to stay with an organization that has a one year's duration. It is very difficult to convince them they have a career there. Once I think it becomes permanent, in terms of capitalization, this will be much easier. At this juncture we have a very good staff.

Mr. Simpson: I take it therefore, that the employees of CAP are not employees of the department? They are not civil servants?

Mr. Pearson: No; with one exception, and this was an extremely good sales person—a lady who was with the Department in their craft operations a long time ago, or when it was operating for Northern Development. She came with us, but because of her seniority in the civil service she was unwilling to break those ties, so the Department has loaned her to us since. I think that is the arrangement we have now. This is quite understandable. She has long service, and she is extremely good for us. But no one else is departmental.

• 1240

On the odd occasion, if a particular project comes along and we have to do something about it, we will beg, borrow and steal from the Department anything that we can get our hands on—including people, if they happen to have someone. It may be for some design work, or for some particular promotional activity that we just cannot staff.

Mr. Simpson: But normally, though, if your workload increases you. .

Mr. Pearson: We retain our own employees. They are all our own employees, with this one exception.

Mr. Simpson: You go into the normal market to get your own employees?

Mr. Pearson: Yes; we advertise in the newspapers and select on that basis.

[*Interprétation*]

requises dont on avait besoin, dont le Nord et les esquimaux qu'ils connaissait bien. Maintenant, le personnel est embauché comme dans toute autre entreprise commerciale. Si nous avons besoin d'un employé d'entrepôt, d'un aide-comptable ou d'une secrétaire etc., nous les recrutons sur le marché du travail.

L'embauche devient plus difficile, quand il s'agit des cadres ou des personnes du service des ventes, et nous espérons que la nouvelle structure de la capitalisation nous permettra de remédier à ce problème.

Il est difficile de trouver un gérant qui restera dans une telle organisation d'une durée d'un an, et de le convaincre qu'il s'agit d'une carrière. Une fois que cela sera permanent du point de vue du capital, l'embauche sera plus facile aussi. A ce moment là nous aurons un personnel très efficace.

M. Simpson: Donc, les employés de la SPA ne sont pas des employés du ministère? Ce ne sont pas des fonctionnaires?

M. Pearson: Non, à l'exception d'une très bonne vendeuse qui a travaillé pour le ministère dans le Service de l'artisanat il y a longtemps, et plus tard pour le Développement du Nord. Elle nous a joint mais à cause de ses longues années de service dans la fonction publique elle n'était pas disposée à rompre. C'est pour cette raison que le ministère nous l'a prêtée depuis. Je pense que c'est l'arrangement actuel et c'est compréhensible. Elle a des longues années de service et elle nous rend des services incommensurables. Mais il n'y en a aucun autre qui soit du ministère.

De temps à autre si nous voulons réaliser un projet particulier, nous allons essayer de demander, d'emprunter et même de voler tout ce que nous pouvons du ministère y compris des employés, si cela est possible. Parfois il s'agit d'un travail de projet ou d'une certaine publicité pour lesquels nous ne disposons pas de personnel suffisant.

M. Simpson: Supposons que votre travail s'accroît...

M. Pearson: Oui, nous garderons nos employés à l'exception de cette personne en particulier.

M. Simpson: Est-ce que vous recrutez sur le marché du travail?

M. Pearson: Oui, nous mettons des annonces dans les journaux et nous choisissons l'employé sur cette base.

[*Text*]

Mr. Simpson: How many of your staff would be classed as purchasers, or buyers?

Mr. Pearson: None as buyers, or purchasers, as such. We have one particular individual whom we classify as a pricer. She has quite a background in arts and crafts with the Canadian Handicraft Guild, and her job is to do the initial pricing. Our prices bear no relationship to those that are on the object when it comes down. We forget that and try to price to the market.

Mr. Simpson: Perhaps instead of my asking you one or two further questions you could just give me a brief rundown on how you actually obtain the Eskimo art. You said in reply to one of the members that if beaded purses were in demand you would instruct your people to put in an order for them.

Mr. Pearson: Yes; we would put in an order.

Mr. Simpson: Do you order Eskimo art, or do you make periodic trips up to see what is there and purchase what you want?

Mr. Pearson: No; you do not order Eskimo art in that sense, of course.

Mr. Simpson: No.

Mr. Pearson: You identify it by areas, and you can give advice, or blanket types of orders, and say, "We can purchase from you $100,000 worth of good quality art," if the people are interested in producing that much.

Our representatives travel around in the North to attempt to improve the actual price that the co-operative gives to the carver himself, talk to them about their art and also advise them on their little organization and how they can do this; and what problems we have had with the kinds of products they are shipping out.

But where the product is parkas, for example, we will order, because there you have a size problem and you have to order certain sizes, or they will all come down size 13; or if you order mukluks, the same thing often hap-

[*Interpretation*]

M. Simpson: Combien de membres de votre personnel étaient autrefois des acheteurs pour vous?

M. Pearson: Nous n'avons pas d'acheteur dans ce sens. Nous avons une personne à laquelle nous avons donné le titre de préposée à l'établissement des prix. Il s'agit d'une femme qui a déjà une bonne expérience dans le domaine de l'artisanat et de l'art, ayant travaillé pour la *Canadian Handicraft Guild;* c'est elle qui fait le premier établissement des prix. Nos prix n'ont aucun rapport avec les prix qui sont inscrits sur les objets quand nous les recevons. Nous fixons les prix en fonction du marché, ignorant le prix indiqué.

M. Simpson: Me permettrez-vous de poser une seule question à laquelle j'aimerais avoir une brève réponse, plutôt que deux questions. Comment faites-vous actuellement pour obtenir des œuvres d'art esquimaudes? Vous avez mentionné, en réponse à la question d'un des députés, que lorsqu'on vous demande par exemple, des sacoches ornées de grains vous faites faire des commandes par votre personnel.

M. Pearson: Oui, c'est exact.

M. Simpson: En ce qui concerne les œuvres d'art esquimau, faites-vous des voyages périodiques pour voir qu'est-ce qu'ils ont produit et ce que vous voulez acheter?

M. Pearson: Non. Dans le cas des œuvres esquimaudes, on ne commande pas de cette façon.

M. Simpson: Non.

M. Pearson: Nous reconnaissons les régions où nous pouvons donner des conseils ou des genres de commandes en blanc, disant que nous pouvons acheter pour $100,000. Si les gens sont intéressés à produire la quantité qu'il nous faut. Les agents de notre société font beaucoup de voyages dans les régions du Nord pour tenter d'améliorer les prix que le sculpteur reçoit de la coopérative. Les agents leur parlent de leur art, leur donnent des conseils quant à l'organisation, nous leur disons quels sont les problèmes que nous avons eus avec le genre de produits qu'ils expédient. Dans le cas que je viens de mentionner il y a des problèmes de grandeur.

Cependant, dans le cas de parkas, par exemple, nous devons les commander à cause du problème de taille; autrement, ils seraient tous faits à la même taille; la même chose s'applique aux mukluks.

[*Texte*]

pens; you get size—oh, fantastic things. You have to order certain sizes and tell them whether they are men's, women's or children's.

Mr. Simpson: Yes; I am sure we all can understand that you cannot order in the field of art.

How many times a year do your representatives have to tour the various places in the North?

Mr. Pearson: The maximum is once, and not always every year to all areas, by any stretch of the imagination. We could not afford it. They ship us everything they make; or if we are the agency they have selected they will just pack it up in crates and ship it down. Then it is up to us to price it and to sell it for them.

Mr. Simpson: My next, and possibly final, question is just to clarify a point. You mentioned in reply, I think, to Mr. Thomson, that you might be confronted with a $300,000 shipment of art coming in at one time when the shipping was being done at a certain period of the year and that you have to have money available. Perhaps I do not understand this correctly, but it is mentioned that you are obliged to take your goods on consignment.

• 1245

Mr. Pearson: Yes; my statement that we would have to pay for it related to our being permitted to pay for it through capitalization. We would then have to have a policy relative to repayment.

The co-operative would expect to get their money in a given period of time, and we would have to guarantee that within a week, or two weeks, or something like, we would remit the money to their bank or send it by mail—whatever they wanted. At this juncture, this is not a problem, simply because we own neither the inventory nor the accounts receivable.

Mr. Simpson: At the moment, then, as I understand it, it is all on consignment.

Mr. Pearson: That is right.

Mr. Simpson: It takes a certain period of time before the money actually arrives back after the goods are sold.

Mr. Pearson: Yes. If we have to ship a piece of sculpture to a show in, say, Amsterdam and they display it for two weeks and

[*Interprétation*]

Il faut expliquer qu'il y a des tailles pour les hommes, pour les femmes, pour les enfants, et leur commander ces grandeurs.

M. Simpson: Nous voyons très bien que vous ne pouvez pas passer de commande de cette façon dans le cas des œuvres d'art. Combien de fois par année êtes-vous obligé, vous-même ou votre personnel, de vous rendre dans les différents endroits du grand Nord?

M. Pearson: Au maximum une fois par année et même pas toutes les années et dans toutes les régions. Cela serait trop dispendieux. En fait, les Esquimaux nous expédient tout ce qu'ils fabriquent; si nous sommes l'organisme qu'ils ont choisi pour la vente, ils nous envoient tout ce qu'ils produisent dans des caisses et c'est-à nous de fixer les prix et de le vendre pour eux.

M. Simpson: La prochaine question, qui sera peut-être la dernière, vise à obtenir des éclaircissements. Vous avez dit, en réponse à une question de M. Thomson je crois, que vous pourriez recevoir $300,000 d'œuvres d'art à certaines périodes de l'année où l'on fait les expéditions et que vous devez avoir les fonds pour satisfaire à l'offre. Je n'ai peut-être pas bien compris, mais on dit ici que vous êtes obligés de prendre les objets en consignation.

M. Pearson: Nous aurions à payer pour cela, je l'ai dit, grâce à la capitalisation. Il nous faudrait établir une politique de remboursement. Les coopératives voudraient avoir leur argent dans un certain délai; il nous faudrait leur garantir qu'en dedans d'une semaine ou deux semaines, ou trois, nous pourrions verser à leur compte, ou faire parvenir par la poste, l'argent qui leur est dû, selon leur préférence. Ce n'est pas un très grand problème, parce que nous n'avons pas ni les stocks, ni les moyens.

M. Simpson: Alors tout se fait actuellement en consignation, si je comprends bien.

M. Pearson: C'est exact.

M. Simpson: Il leur faut un certain temps avant que l'argent revienne après la vente.

M. Pearson: Disons que nous prenons une sculpture, nous l'expédions à Amsterdam pour une exposition, qui dure deux semaines,

[*Text*]

someone buys it, we have to get it back and get the money in, and so on. It is quite a long cycle.

Mr. Simpson: Did I understand you to say that one of your outlets is the Hudson's Bay Company?

Mr. Pearson: Yes.

Mr. Simpson: All across Canada, I suppose.

Mr. Pearson: Some of them prefer to buy for themselves, from their own wholesalers, but we sell to quite a number of Hudson's Bay stores.

The Hudson's Bay Company have not really gone into the Eskimo art field. They will ship in case lots, if you are a retailer and want to buy, or one of their stores does, but you may end up with a case of small walruses, which would take quite a long time to sell. We, of course, for a retailer would make a selected shipment that included a variety of different articles to appeal to the different tastes of their customers. This, of course, is why some of the Bay stores use us.

Mr. Simpson: That is what I was going to follow up with. Do you make the selection when the goods come in here and ship them out to retailers, or do many of them send buyers?

Mr. Pearson: Many send buyers in. We had a buyer in from Montreal a couple of days ago, for example. We will then set up in our showroom an exhibition for that buyer. We have some experience of him and know his taste. He will perhaps spend a whole morning just sitting there looking at things and then towards afternoon he will make his selections. That is how it goes.

Mr. Simpson: These are all my questions.

The Vice-Chairman: Mr. Southam, you have a question?

Mr. Southam: Mr. Chairman, I apologize for being a little late. I was attending the Committee on Agriculture and it overlapped yours. Stop me if any of my questions are repetitive.

Getting back to the origin of Canadian Arctic Producers, it was established, I understand, with the blessing of the Department of Indian Affairs and Northern Development, to correlate the development of Indian and Eskimo art, the quality of production and the marketing of it. Is your association, or organi-

[*Interpretation*]

et qu'on achète la sculpture, il faudra alors reprendre l'œuvre, et aussi l'argent; les complications sont nombreuses.

M. Simpson: Vous avez dit que l'une des compagnies qui font de la vente est la Compagnie de la Baie d'Hudson?

M. Pearson: Oui.

M. Simpson: Partout au Canada, je suppose.

M. Pearson: Certains préfèrent acheter les objets eux-mêmes, mais nous en vendons beaucoup aux magasins de la Compagnie de la Baie d'Hudson. La Compagnie de la Baie d'Hudson ne s'est pas lancée dans le domaine des œuvres d'art esquimau. Elle vend quand même des œuvres d'art en lots aux détaillants, mais il se peut qu'on obtienne une caisse chargée uniquement de petits loups-marins, par exemple, qui prennent du temps à vendre. Quant à nous, nous ferons des expéditions sélectionnées pour les vendeurs, nous choisirons des objets en fonction des goûts et des besoins de leurs clients. Voilà d'ailleurs pourquoi les magasins de la Compagnie font affaire avec nous.

M. Simpson: C'est justement la question que j'allais poser. Faites-vous une sélection quand la marchandise arrive pour ensuite les expédier aux vendeurs, ou bien les détaillants délèguent-ils des acheteurs?

M. Pearson: On nous envoie parfois un acheteur. Par exemple, nous en avons justement eu un de Montréal il y a deux jours. Dans ces cas, nous aménageons notre salle de montre et étalons tous les objets que nous avons. Nous connaissons l'acheteur et ses goûts. Celui-ci passera la matinée entière à examiner les objets et fera son choix.

M. Simpson: Voila toutes les questions que je voulais poser.

Le vice-président: Monsieur Southam, vous avez une question?

M. Southam: Monsieur le président, veuillez excuser mon retard, mais j'assistais à la réunion du Comité de l'agriculture. Je voudrais que vous m'arrêtiez si mes questions semblent répéter ce qui a déjà été dit. La Société des producteurs de l'Arctique a été établie avec la bénédiction du ministère des Affaires indiennes et du Nord canadien, pour coordonner le développement de l'art esquimau et indien et aussi améliorer les qualités de la production et assurer la commercialisation de cet art. Est-ce que votre organisation

[*Texte*]

zation, independent from the Department of Indian Affairs, or is it in the form of a Crown corporation?

Mr. Pearson: No; it is a private company.

Mr. Southam: It is a private company?

Mr. Pearson: Under federal charter.

Mr. Southam: In the wholesaling sphere, more or less, I take it?

Mr. Pearson: Yes.

Mr. Southam: That being the case, the success of your endeavour should follow the concept of what is in the mind of the Department of Indian Affairs and Northern Development, that is, to further enhance the general Eskimo and Indian economy. That is right, I would presume.

I notice that you have grown from $60,000 in sales up to an estimated $1 million in the year 1969-70. Is that correct?

Mr. Pearson: Yes.

Mr. Southam: What effort, if any, is put into the promotion of your sales—I am thinking here of the advertising media such as newspapers, radio and TV—to increase or encourage the demand for Eskimo and Indian art, not only in the minds of potential Canadian customers but those in other parts of the world?

• 1250

Mr. Mitchell: We do this through publications of brochures and catalogues, of which there are several types. We have catalogues for the art market and for the winter sports field, in the way of garments, boots, mitts and things of that kind. We put out several publications each year and distribute them throughout Canada and abroad.

Mr. Southam: What percentage of your present total budget would be devoted to this particular field of advertising? I have been in business myself, as have many members of the Committee, and the success or failure of any endeavour in this modern day and age is dependent to a great extent on the proper use of the advertising spheres. Are you satisfied that you are utilizing enough of your capital reserve in this field?

Mr. Mitchell: For sales development promotion this year, we are estimating an expenditure of $30,000. Approximately $10,000, which is 1 per cent of a million, is going into actual advertising and promotion material. This

[*Interprétation*]

est indépendante du ministère ou est-elles un genre de société de la Couronne?

M. Pearson: Non. C'est une compagnie privée.

M. Southam: C'est une compagnie privée?

M. Pearson: Qui a une charte fédérale.

M. Southam: Dans le domaine de la vente en gros surtout, je suppose . . .

M. Pearson: Oui.

M. Southam: Votre entreprise a du succès dans la mesure où vous suivez le concept du ministère des Affaires indiennes et du Nord canadien, soit de faire avancer l'économie des Indiens et des Esquimaux. C'est ce que vous faites, n'est-ce pas?

Je remarque que vous êtes passés de $60,000 de ventes à près d'un million en 1969-1970, à peu près. Est-ce vrai?

M. Pearson: Oui, c'est exact.

M. Southam: Quelle méthode, s'il en est, utilise-t-on pour la réclame? Faites-vous de la publicité dans les journaux, à la radio, à la télévision pour encourager ou accroître la demande pour les œuvres d'art esquimaudes et indiennes, non seulement auprès des consommateurs canadiens, mais dans le monde.

M. Mitchell: Nous publions des catalogues et différents types de brochures pour le marché de l'art, nous avons des catalogues pour les vêtements des sports d'hiver et les choses de ce genre. Nous publions divers ouvrages durant l'année que nous diffusons par tout le Canada et à l'étranger.

M. Southam: Quelle proportion de votre budget est dépensée pour la publicité? J'ai été en affaires moi-même comme d'autres personnes ici, et je sais que, de nos jours, la réussite d'une entreprise dépend dans une grande mesure du sage emploi de la publicité.

Êtes-vous d'accord que vous exigez suffisamment de votre capital dans ce domaine?

M. Mitchell: Des dépenses pour la promotion de l'amélioration des ventes sont estimées à $30,000 cette année. Environ $10,000 ce qui représente 1 p. 100 d'un million seraient investis dans la publicité et dans la documen-

[*Text*]

material includes illustrations and literature, and we participate in trade shows, gift shows, exhibitions and things of this nature throughout North America and Europe.

Mr. Southam: Do you feel it is being fruitful?

Mr. Mitchell: Oh yes. It is only this last year that we have had enough finances to embark effectively in the promotional field. It has been very fruitful. It enables us to get the word across the country and abroad that we have something worthwhile to sell, and by fairly wide distribution of sales material we do have effective response.

Mr. Southam: I am glad to hear you say that because even though the figure of $1 million sounds fairly impressive, it is still relatively small for what I consider to be the over-all potential of this particular line of art in world markets.

Do you people, either in conjunction with the Department of Indian Affairs and Northern Development or by yourselves, put any effort into special training programs among the Indians and Eskimos to meet the particular quality of artifacts that you find there is a market for? We have had a number of people in the North who were really artists in their own way, but more or less what we would refer to as amateur artists, because they had no special training. It was just a natural aptitude which they had developed from experience. On the other hand they had people working with them in these co-operatives who possibly could stand to be trained to improve the quality.

You can get an analogy going back to Walt Disney, who was an artist in his own right in the production of cartoons. He would come up with the original idea, but he trained other artists to fit into his work force and to do subsidiary parts of the work. Yet it helped in the overall, not only to enhance his art work, but to create a bigger production, a greater volume of his product for the world market.

I am thinking this same concept should apply to Indians and Eskimos if and where we have key people in the production of original art of that kind. Are you people involved in this type of a training program, or giving any encouragement along that line?

Mr. Mitchell: This actually has been gone into earlier, and I could answer by saying that Eskimo art—this is what we are talking about—is not something that we taught the

[*Interpretation*]

tation publicitaire, y compris les publications, les brochures et la participation à certaines expositions commerciales, de nouveautés, etc., en Amérique du Nord et en Europe.

M. Southam: Vous croyez que cela réussit bien?

M. Mitchell: Oui. C'est seulement l'année dernière que nous pouvions nous permettre financièrement de nous engager dans ce domaine de la publicité. Cela a eu beaucoup de succès. Cela nous permet de le faire connaître dans tous les pays et outre-mer la qualité de ce que nous avons à vendre, et la distribution assez répandue de nos articles de vente a été bien accueillie par le public.

M. Southam: Même si le chiffre d'un million de dollars est assez impressionnant, c'est tout de même une somme assez peu élevée si l'on tient compte de toutes les possiblités de ce genre d'objets d'art sur les marchés mondiaux.

Est-ce que vous avez établi de concert avec le ministère des Affaires indiennes et du Nord canadien des programmes particuliers de formation des indiens et des esquimaux pour faire valoir des œuvres d'art de qualité qui répondent aux exigences du marchés? Un bon nombre de personnes dans le Grand-Nord étaient réellement des artistes qui avaient plus ou moins un certain talent d'amateurs faute d'une certaine formation. Ils ont une habilité naturelle formée par l'expérience. D'autre part, les gens qui travaillent avec eux dans les coopératives pourraient être formés pour améliorer leur qualité.

Vous trouverez la même chose, par exemple avec Walt Disney qui était lui-même un artiste pour la production des dessins animés. C'est lui qui avait des idées brillantes mais il a formé d'autres artistes qui se sont adaptés à son travail et ont effectué des petits travaux de l'ensemble du travail. Cela a rehaussé la conception des œuvres de Walt Disney, tout en accroissant la production et la quantité de sa production sur le marché international. Et je crois que le même concept pourrait être appliqué aux œuvres d'art indiennes et esquimaudes si l'on initiait des personnes compétentes à l'art primitif de ce genre. Est-ce que vous avez déjà pris des initiatives pour établir un programme de formation et pour encourager sa mise au point.

M. Mitchell: Nous en avons déjà parlé, mais je dirais que l'art esquimau, dont nous parlons maintenant n'est pas quelque chose que l'on enseigne aux esquimaux. C'est quel-

[*Texte*]

Eskimos. It is a product of the Eskimos' peculiar environment. It is the product of several thousands of years of living under given conditions, of the Eskimo's ability to live by his intelligence and his powers of observation. This is what Eskimo art is. Eskimo art got where it is today not from anything that anybody taught them. In fact, when you start teaching Eskimos art, this is where Eskimo art is reduced to something that is no longer Eskimo art.

• 1255

What we are trying to do here is to develop the inherent skills and abilities of people. We are not trying to teach them anything. They already have it. If we tried to impose something, it would be only our standards that we would impose. The people who work with us most are trying to encourage and to assist in the expression of what is already there. We are not giving them something. They are giving us something.

Mr. Southam: I appreciate that, but even in our own white society we find that young people may be exposed to art or they may have these inherent abilities, but we take some pains to train them, to help improve their techniques through training. This is where we get our Canadian artists from among the whites. I am just wondering if there has been special consideration given to this with regard to the aptitudes of Eskimo and Indian people, who should be encouraged if they have these special aptitudes.

Naturally every Indian and Eskimo does not have the aptitude for art. These are only a few people. Is there any special training program for them? It may not be in your field at all, but I am interested in this because I think it would enhance the general economy of our Eskimo and Indian people in the North if this type of program was conducted.

If I have heard correctly, a while ago in answer to another question you said your people were trying to—I would not say curtail the prices or the expansion of this industry—feed it to the market in such a way and pricing it in such a way that you maintain a price level. Does this, do you think, enhance the opportunity for the majority of your people in the Indian and Eskimo areas to make the maximum contribution?

Mr. Mitchell: Yes, this is right. All Eskimos, as you say, are not artists. Some are craftsmen of varying ability. Some actually should not be carving at all. But we have established markets for all levels. Our func-

[*Interprétation*]

que chose qui est particulier à l'environnement esquimau, qui existe depuis des milliers d'années d'un mode de vie dans certaines conditions, découlant des talents de survivance de l'esquimau par son intelligence et son pouvoir d'observation. C'est que c'est l'art esquimau, ce qui est devenu l'art esquimau sans que l'on leur ait appris quoi que ce soit. Si l'on commençait à enseigner cet art, on en diminuerait la valeur et ce ne serait plus l'art pur.

Nous tâchons de mettre en valeur les talents et les aptitudes indigènes et de ne pas leur apprendre cet art, car ils l'ont déjà. Si nous tâchions de leur imposer quelque chose, ce ne serait que nos propres normes. Les gens qui travaillent avec nous essayent d'encourager et de prêter concours à ce qui existe déjà. Nous ne leur apportons rien, car ce sont eux qui nous apportent quelque chose.

M. Southam: Je suis bien d'accord avec vous, mais même dans notre société blanche, nous nous rendons compte que les jeunes sont exposés à l'art, ils peuvent afficher certains talents, mais il faut tout de même les former, les aider à améliorer leurs techniques par une certaine pratique. C'est comme cela que l'on forme nos artistes canadiens parmi notre société. Je me demande si l'on en a vraiment tenu compte à l'égard des aptitudes des indiens et des esquimaux pour les encourager, s'ils sont vraiment doués. Bien sûr, tous ne le sont pas, il n'y en a que quelques-uns. Y a-t-il un programme de formation pour eux? Ce n'est peut-être pas de votre ressort, mais ce qui m'intéresse, à ce sujet, c'est que cela pourrait rehausser l'économie esquimaude et indienne dans le Grand Nord, si un tel programme était réalisé. En réponse à une autre question, j'ai eu l'impression que vous essayez de mettre ces œuvres sur le marché et de fixer les prix d'une telle manière qu'il soit possible—de ne pas réduire les prix ou l'expansion de cette industrie—mais de maintenir le niveau des prix. Croyez-vous que c'est la meilleure façon de donner le plus de perspectives possibles aux esquimaux pour qu'ils fournissent un effort maximal?

M. Mitchell: Comme je l'ai dit, tous les esquimaux ne sont pas des artistes. Certains montrent un certain talent d'artisanat, d'autres pas du tout. Mais nous avons des marchés établis pour tous les niveaux. Notre

[*Text*]

tion here is to distinguish the levels of excellence or acceptance, in which case we have a market for those who have little or no artistic ability and markets for those who have.

In answer to your other question, the development of talent in individuals, this has been done and is being done. In fact there is an Eskimo at an art school in Toronto at the moment. They are not teaching him art. He can express himself better than most southern artists can. What they are teaching him is technique. How to use different materials like stone and metal, and this actually is being done and will be done to a greater extent in the future.

Mr. Southam: One last question. Your pricing formula, the attitude you take towards the maintenance of these pricing levels, you do not think deters from the general over-all development of this?

Mr. Mitchell: No.

Mr. Southam: I would not say you people are in a monopolistic position, but I do not think there are any other organizations in Canada in the same endeavour that you are in.

Mr. Pearson: Yes, there are other organizations in Canada in the same endeavour that we are in, the Hudson's Bay Company being one, and another being the Quebec co-operative group in Levis. They certainly are in competition directly. But there is a tremendous market for good Eskimo art, fine art, and indeed it is probably a situation where anyone who has more training in economics than I have can explain—the higher the price the more you sell. It is a reverse demand type of thing.

Mr. Southam: You say the Hudson's Bay Company are also in the wholesale field. They gather in the art from the various co-operatives and so on, and they are in strict competition with you people.

Mr. Pearson: Yes.

Mr. Southam: Thank you, Mr. Chairman.

The Chairman: Gentlemen, Mr Dinsdale is next. I noticed our time is running out, and there is one thing perhaps I should have asked for earlier and that was a motion to append this brief by Canadian Arctic Producers to the Minutes. May I have a motion to that effect?

Mr. Simpson: I so move.

[*Interpretation*]

fonction c'est de distinguer ce qui est excellent et ce qui est acceptable de la production. De cette façon, nous avons un marché pour ceux qui n'ont que peu ou n'ont pas de talent artistique et des marchés pour ceux qui n'en ont pas. En ce qui concerne l'autre question, le développement du talent est quelque chose qui a déjà été fait. Il y a d'ailleurs un esquimau à l'école des beaux-arts à Toronto, en ce moment. On ne lui enseigne pas de l'art. Il peut s'exprimer peut-être mieux que certains d'autres artistes du Sud. On lui enseigne la technique de l'emploi de certains matériaux, comme de la pierre, du métal. On en fait et en fera dans une plus grande mesure à l'avenir.

M. Southam: Une dernière question en ce qui concerne les prix. Votre opinion sur la stabilité de ces niveaux de prix ne découragera-t-elle pas le développement général?

M. Mitchell: Non.

M. Southam: Je ne dirais pas que vous êtes dans une situation monopoliste, mais je ne pense pas qu'il y ait d'autres organisations canadiennes qui font les mêmes efforts que vous.

M. Pearson: Oui, bien sûr, il y a d'autres organisations au Canada qui œuvrent dans le même domaine, la société de la Baie d'Hudson et une coopérative québécoise à Lévis qui sont certainement en concurrence directe avec nous, mais il y a beaucoup de débouchés pour les œuvres d'art esquimaudes qui sont excellentes. C'est probablement ce que les économistes appelleraient plus le prix est élevé, plus on en vend. C'est l'inverse de la demande normale sur le marché.

M. Southam: Vous dites que la société de la Baie d'Hudson est aussi dans le secteur de la vente en gros. Ils achètent les différents types d'arts des coopératives et sont quand même en concurrence avec vous.

M. Pearson: Oui.

M. Southam: Merci, monsieur le président.

Le président: Monsieur Dinsdale est le suivant. Je m'aperçois qu'il nous reste très peu de temps. Il y a une question que j'aurais peut-être dû demander plus tôt, c'est de présenter une motion concernant l'appendice du mémoire de la Société PAC. Puis-je présenter cette motion?

M. Simpson: Je le propose.

[*Texte*]

Mr. Dinsdale: I am trespassing on time. I am in the unfortunate position of covering two committees simultaneously, and I am vitally interested in this so I will not trespass on your patience any further. I will ask one or two short questions.

• 1300

Are imitations still a problem? Cheap imitations, very credible imitations. How do you cope with them?

[*Interprétation*]

M. Dinsdale: Je dépasse le temps. Je fais partie de deux Comités en même temps, et je m'intéresse beaucoup à ce problème. Je ne veux pas abuser de votre patience plus longtemps, j'ai seulement une ou deux petites questions. La question des imitations, constitue-t-elle encore un problème? Des imitations bon marchées, bien pauvres et comment comptez-vous résoudre ce problème?

Mr. Pearson: It is a problem, but perhaps not as great a problem as some people think. In the fine arts field I do not believe it is nearly as great, anymore than a copy of the Mona Lisa is a substitute for the Mona Lisa itself. As Eskimo art has become more and more accepted people are really looking for the real thing, so that in that field, no. In the more craft-like field it becomes more of a problem and one of the ways we try to deal with it is that we police our retailers, our dealers. If we find dealers handling those kinds of goods it is very difficult for them to retain their dealership in that sense.

Mr. Dinsdale: So the educational program to establish a brand for these fine carvings has pretty well been accepted now by the public. Are the Japanese in the market?

Mr. Pearson: No, as far as we know, no. Most of the competition of this type comes from Canadian suppliers. They were at one time but they voluntarily withdrew and I suppose they still refrain. They were very co-operative.

Mr. Mitchell: Actually I had a call from the Japanese Trade Commission. We appeared on a television program last year. In fact two of us sat on the public affairs programs "The Way It is" and "W5". The Japanese Trade Commission got hold of us and asked us if we had any evidence on Japanese fake Eskimo carvings and we said no, we did not. There were five companies producing it in Canada—five Canadian companies. They also requested that if we did at any time in the future come across evidence to this effect we immediately notify them for the reason that they are trying to build an image in the electronic industry, in equipment and machinery and what

M. Pearson: Bien sûr, que cela nous cause des difficultés, mais peut-être pas autant que certains pensent. Dans le domaine artistique, je ne pense pas qu'il soit tellement important, tout comme la copie de la *Mona Lisa* n'est qu'une contrefaçon. L'art esquimau est de plus en plus accepté. Les gens cherchent ce qui est authentique, alors je ne pense pas qu'il y ait de l'imitation dans ce domaine.

Dans certains domaines d'artisanat, le problème est beaucoup plus épineux et une des façons de régler le problème est de surveiller nos détaillants, nos vendeurs. S'il y en a qui vendent ces articles, il devient très difficile pour eux de conserver leur permis en ce sens.

M. Dinsdale: Le public a donc accepté maintenant le programme d'éducation afin d'établir une marque pour ces belles sculptures. Est-ce que les Japonais sont dans ce marché?

M. Pearson: A ma connaissance, non. La concurrence dans ce secteur vient surtout des fournisseurs canadiens. Les Japonais en ont déjà fait partie mais ils se sont retirés volontairement et je suppose qu'ils s'en abstiennent toujours. Ils sont très coopératifs.

M. Mitchell: J'ai reçu un appel de la commission commerciale du Japon. Nous avons paru à la télévision l'année dernière. De fait, deux d'entre nous ont participé à deux programmes d'affaires publiques, «*The Way it Is*» et «*W-5*». L'attaché commercial japonais a demandé s'il y avait des imitations japonaises de sculptures esquimaudes et nous avons dit que nous n'avions aucune preuve qu'elles existaient. Il y avait cinq sociétés qui en fabriquaient au Canada, cinq sociétés canadiennes. Ils ont aussi demandé que s'il y avait des imitations japonaises sur le marché, qu'ils en soient avertis immédiatement car ils tentent d'établir une réputation dans l'industrie

[*Text*]

not, and they do not want to be associated with cheap souvenirs; and they are very careful about this.

Mr. Dinsdale: Do you have a special association with the Eskimo co-operatives or do they dispose...

Mr. Mitchell: No, the Eskimo co-operatives are really our suppliers.

Mr. Dinsdale: This is your main source of supply.

Mr. Mitchell: This is our main source of supply. About 60 per cent of our supply comes from co-ops.

Mr. Dinsdale: So they supply exclusively through your organization?

Mr. Mitchell: Most of them. Some do deal independently as well as supply us. But I think we are the main recipient.

Mr. Dinsdale: How many co-ops are there now? Are they expanding?

Mr. Mitchell: In the Northwest Territories, all together there must be about 28.

Mr. Dinsdale: Does your group provide any of the know-how in the operation of the co-ops?

Mr. Pearson: Not officially.

Mr. Dinsdale: This is through the department, I suppose.

Mr. Pearson: Yes, but if we are travelling up there, we spend a fair amount of time trying to help them, and we certainly do from down here.

Mr. Dinsdale: I will not go any further at this stage.

The Vice-Chairman: Thank you, Mr. Dinsdale. I find myself with no questions left. I had one in my mind all day and Mr. Dinsdale asked it at the last moment, concerning Japanese imitations.

Item 1 stood.

I would like to thank our witnesses very much and we now adjourn to the call of the Chair.

[*Interpretation*]

électronique, l'outillage et la machinerie, et je ne sais quoi, et ne veulent pas être associés avec des objets souvenirs de peu de valeur; ils sont très soigneux de leur renommée.

M. Dinsdale: Avez-vous une entente spéciale avec les coopératives esquimaudes ou est-ce qu'elles disposent...

M. Mitchell: Non, les coopératives sont vraiment nos fournisseurs.

M. Dinsdale: C'est votre principale source.

M. Mitchell: Oui, bien sûr, 60 p. 100 de nos fournitures nous viennent des coopératives.

M. Dinsdale: Elles écoulent donc leurs produits exclusivement par l'intermédiaire de votre organisme?

M. Mitchell: La majorité. Il y a certains esquimaux qui sont indépendants et qui font aussi affaire avec nous. Nous sommes leur principal distributeur, je pense.

M. Dinsdale: Combien y a-t-il de coopératives en ce moment? Sont-elles en expansion?

M. Mitchell: Dans les Territoires du Nord-Ouest il doit y avoir environ 28 coopératives en tout.

M. Dinsdale: Est-ce que votre groupe fournit des renseignements quant au fonctionnement des coopératives?

M. Pearson: Pas de façon officielle.

M. Dinsdale: Par l'intermédiaire du ministère, je suppose.

M. Pearson: Oui, mais lorsque nous voyageons dans ces régions, nous passons beaucoup de temps à les aider, et nous les aidons certainement d'ici.

M. Dinsdale: Je n'irai pas plus loin en ce moment.

Le vice-président: Merci monsieur Dinsdale. Je n'ai plus de question à poser. J'en avais une à l'esprit et c'est monsieur Dinsdale qui l'a posée, au sujet des imitations japonaises. Le poste 1 est réservé. Oui. Je remercie les témoins.

La séance est levée jusqu'à nouvelle convocation du président.

APPENDIX M

BRIEF ON CANADIAN ARCTIC PRODUCERS LIMITED

BACKGROUND

Canadian Arctic Producers Limited (CAP) was founded in October 1965 as a central marketing agency for the arts and crafts programme of the Department of Northern Affairs and Natural Resources. Its purpose was to market the handcrafted production of the northern Indian and Eskimo people, both on behalf of individual groups such as co-operatives and on behalf of the Department's own project areas. CAP was incorporated under the Canada Corporations Act with five $1.00 par common shares being issued. The company is controlled by the Co-Operative Union of Canada, four member of the Board being appointees of the Co-Operative Union and one member being appointed by the Department. The senior offices of President, Vice-President, and Secretary are held by Co-Operative Union members.

On an operational level, CAP has a full-time General Manager responsible to the Board and a staff of 22. The company operates from premises in Ottawa which include offices, showrooms, and warehouse facilities. There are essentially two operating divisions, one to handle the Eskimo fine arts and the other crafts. Because the company's capital is limited to the original $5.00 investment, it has few assets; space, equipment and furniture have had to be rented wherever possible. The company has also had to operate without working capital as it has had neither the earnings nor invested capital to support debt. All products must be held on a consignment inventory basis and all accounts receivable must be financed by individual suppliers. CAP, therefore, has custodial responsibility for some 30 supply groups in terms of both their inventory and accounts receivable.

The company is budgeted to a breakeven cash position on an annual basis, makes no profit, or retained earnings. To finance its own internal operations, CAP relies on two sources of operating funds. A 10% commission is charged all suppliers on the company's invoice price. All revenues beyond this 10% commission are rebated to the suppliers. The company has been given an annual support contract by the Department of Indian Affairs and Northern Development to finance the

APPENDICE M

MÉMOIRE SUR LA «CANADIAN ARCTIC PRODUCERS LIMITED»

HISTORIQUE DE LA SOCIÉTÉ

La société *Canadian Arctic Producers Limited* [*CAP*] a été fondée en octobre 1965 à titre d'agence commerciale pour le programme d'art et d'artisanat du ministère du Nord canadien et des Ressources nationales. Son but est de trouver des débouchés aux produits d'art et d'artisanat des collectivités indiennes et esquimaudes du Nord, pour le compte tant de groupes particuliers, comme les coopératives, que des entreprises du Ministère. La *CAP* a été constituée en vertu de la Loi sur les corporations canadiennes par l'apport de cinq actions ordinaires au pair de $1. La société, qui relève de l'Union coopérative du Canada, est dirigée par un conseil d'administration composé de quatre membres nommés par l'Union coopérative et d'un membre désigné par le Ministère. Les postes de président, de vice-président et de secrétaire sont occupés par des membres de l'Union coopérative.

Au niveau de l'exploitation, la *CAP* comprend un directeur général employé à plein temps et comptable au conseil d'administration, ainsi qu'un personnel de 22 employés. Le siège social, qui se trouve à Ottawa, renferme les bureaux d'administration, des salles d'exposition et des installations d'entreposage. La société compte deux divisions administratives, l'une s'occupant des œuvres d'art esquimaudes, l'autre des produits d'artisanat. Le capital-action étant limité à la mise de fonds de $5, les biens de la société sont peu nombreux; il a fallu louer les locaux, le matériel et l'équipement. La société doit aussi s'administrer sans fonds de roulement ni capital fixe lui permettant de soutenir le crédit. Tous les produits doivent être gardés en consignation et toutes les dettes actives doivent être acquittées par les fournisseurs. La *CAP* remplit donc les fonctions de surveillance du double point de vue de l'entreposage et des dettes actives pour quelque 30 fournisseurs.

La société ne fait aucun profit ni excédent d'exploitation, et son budget est établi annuellement selon un point d'équilibre. Pour financer son administration interne, la *CAP* compte sur deux sources de fonds d'exploitation. Premièrement, elle demande à ses fournisseurs une commission de 10 p. 100 du prix de sa facture. Tout revenu dépassant la commission de 10 p. 100 est remis aux fournisseurs. Deuxièmement, elle reçoit du ministère des Affaires indiennes et du Nord canadien

operating deficits which is in excess of the revenue produced by the 10% commission. This grant is made on the basis of an annual forecast of sales and a projected operating budget.

Since its inception in October 1965, the company has increased the annual sales volume from approximately $60,000 to $800,000. Forecasted sales for the Government fiscal year 1969-70 are $1,000,000.

The company operates on an international scale and although its principal market is still Canada, significant strides have been made in both the American and European market areas. The company is also seeking to expand into other world markets. Over the past three years, the company has built up a network of some 700 dealers in 11 countries. Indicative of the scope of the marketing effort is the fact that over the past three years the company has had, on average, an exhibition or trade show every eight days.

THE ENVIRONMENT IN WHICH CANADIAN ARCTIC PRODUCERS OPERATES

Essential to an understanding of CAP's objectives and operations is the recognition of the rather complex environment in which it must work. The company's suppliers are located over an immense geographical area which creates severe problems both in the transportation of product and, perhaps more importantly, in the communications so necessary for supplier-agency relations. In addition, as its suppliers are Indian and Eskimo people who are frequently not familiar with many of the customs and systems of the business community, and in many cases speak neither English nor French, CAP has had to develop particular empathy and understanding. It has had to devise systems and means of communication which are meaningful to these people. The company has also had to develop very close relation with Government at both the Federal and Territorial level, not only because of its financial dependency but also because its activities are a function of policies and programmes instituted by both Governments. As a consequence, a great deal of management time and effort must be devoted to communication with the Government.

It must also be noted that the company must operate in an area which is sensitive to various interest groups of the general public. The Canadian art community is decidedly interested in both Eskimo arts and crafts and, therefore, in the company's operations. A number of public groups have been formed who are vitally interested in conditions among Indian and Eskimo people and who

un contrat d'appui annuel lui permettant de combler le déficit d'exploitation, c'est-à-dire les frais dépassant les revenus assurés par la commission de 10 p. 100. La subvention est calculée d'après les prévisions annuelles des ventes et des frais d'exploitation.

Depuis sa création en octobre 1965, la société a porté ses ventes annuelles de $60,000 environ à près de $800,000. On prévoit que pour l'année financière 1969-1970, les ventes atteindront un million de dollars.

La société a une exploitation d'envergure internationale car, même si le Canada reste son principal client, elle a trouvé d'importants débouchés, tant aux États-Unis qu'en Europe, et compte en découvrir d'autres sur le marché mondial. Au cours des trois dernières années, elle a établi un réseau de vente composé de 700 dépositaires répartis dans 11 pays. Le fait qu'elle ait tenu une exposition ou une foire commerciale tous les huit jours, en moyenne, au cours des 36 derniers mois, donne un aperçu des efforts déployés.

LE MILIEU DE TRAVAIL

Pour bien comprendre les objectifs et les modalités d'exploitation de la *CAP*, il faut se représenter le milieu plutôt complexe dans lequel elle travaille. Les fournisseurs se trouvent dans une vaste région géographique qui présente de sérieux problèmes pour le transport des produits et surtout pour les communications, élément si important dans les relations entre fournisseurs et agents. De plus, comme ces fournisseurs sont des Indiens et des Esquimaux qui, pour la plupart, ne connaissent pas les rouages administratifs, et qui, dans bien des cas, ne parlent ni l'anglais ni le français, la *CAP* a dû adopter une attitude de bienveillance et de compréhension particulières. Elle a dû élaborer des modes de communication qui ont du sens aux yeux des autochtones. Elle doit, en outre, entretenir des relations très étroites avec les gouvernements fédéral et territorial non seulement en raison de son état de dépendance du point de vue financier, mais aussi parce que son activité est fonction des lignes de conduite et des programmes de ces deux gouvernements. Par suite, il lui faut consacrer beaucoup de temps et de travail à ces relations.

Il faut aussi se rappeler que la société doit œuvrer dans un domaine qui suscite des craintes au sein de divers groupes du public en général. Les artistes canadiens s'intéressent évidemment aux produits d'art et d'artisanat esquimaux et, partant, à l'activité de la société. Il existe, en outre, un certain nombre d'associations publiques qui se préoccupent des conditions de vie des collectivités indien-

fear that CAP may be exploiting its suppliers. Still another special interest group is interested in the preservation of the Nation's cultural heritage and is concerned by the exports of Indian and Eskimo arts and crafts. This is some indication of the complexity of the environment in which CAP must operate.

It is essential to note that CAP is a business dedicated to certain economic objectives. While the company believes that objectives involving Indian and Eskimo people, CAP has neither the resources nor the qualifications to truly judge such overall social objectives, policies and programmes. It therefore attempts to make clear to all what its operating goals and objectives are and to seek advice on how these could be changed to better serve its Indian and Eskimo suppliers.

THE OPERATING OBJECTIVES OF CANADIAN ARCTIC PRODUCERS

Two basic operating objectives have been established for the company. The first is that the company must seek to optimize long run sales of products produced by northern Indian and Eskimo people. It must seek to do this, not only in terms of the physical number of items it sells, but also in terms of the revenue per item which it gets in the market place. It must not, however, sacrifice the long run potential of the market for short run gain. The second objective of the company is that it must attain the maximum level of operating efficiency given the sales objectives which it has. In so doing, it must utilize the most effective tools of business.

As indicated earlier, the company is not dedicated to make a profit, but in essence is dedicated to return the optimal amount of money to its northern suppliers with the minimal operating cost to the company. The extent to which this is a meaningful and important set of objectives in the overall welfare of northern Indian and Eskimo people must be left to others to judge.

MARKETS

Given that the best interests of its Indian and Eskimo suppliers are served by the above-stated operating objectives the critical element in the company's operation becomes that of the market. Ultimately, it is the market which must provide the purchasing power which will permit increasing sales of Indian and Eskimo products. In essence, this market can be divided into two principal segments. The first of these embraces the fine arts products and the second includes all other craft items.

nes et esquimaudes et qui craignent que la *CAP* n'exploite ses fournisseurs. Une autre partie de la population désire conserver le patrimoine culturel du pays et s'inquiète des conséquences de l'exportation des produits d'art et d'artisanat des Indiens et des Esquimaux. Tout cela n'offre qu'un aperçu de la complexité du milieu dans lequel la *CAP* doit agir.

Il importe de souligner que la *CAP* est une entreprise qui veut atteindre certains objectifs économiques. La société se rend bien compte que ces objectifs concernent les collectivités indiennes et esquimaudes, mais n'a ni les ressources ni la compétence voulues pour apprécier efficacement les programmes, les lignes de conduite et les objectifs sociaux pertinents. Elle tâche donc de préciser clairement ses objectifs et de trouver des moyens de les modifier, de manière à mieux servir les fournisseurs indiens et esquimaux.

LES OBJECTIFS

La société s'est fixé deux objectifs: créer des débouchés durables pour les produits des Indiens et des Esquimaux du Nord, en insistant à la fois sur le nombre d'articles vendus et sur le revenu par article mis sur le marché, sans sacrifier pour autant des débouchés durables en vue d'un gain éphémère. Le deuxième objectif consiste à élaborer un mode d'exploitation efficace, en tenant compte des objectifs de vente; à cet égard, la société doit avoir recours aux moyens les plus sûrs.

Comme nous l'avons dit plus haut, la société est une entreprise sans but lucratif; elle cherche plutôt à obtenir les sommes les plus élevées possibles pour ses fournisseurs, tout en maintenant ses frais d'exploitation au niveau le plus bas possible. Il appartient à d'autres de juger de l'importance de ces objectifs pour le bien-être des collectivités indiennes et esquimaudes du Nord.

LES DÉBOUCHÉS

Étant donné que les objectifs susmentionnés sont conçus en fonction des intérêts bien compris des fournisseurs indiens et esquimaux, l'aspect le plus épineux de l'administration de la société est celui des débouchés. Ce sont les débouchés qui assureront le pouvoir d'achat qui permettra d'augmenter les ventes des produits des Indiens et des Esquimaux. Dans l'ensemble, on peut diviser les débouchés en deux parties: le marché des œuvres d'art et le marché des produits d'artisanat.

Consider first the fine arts markets. A sculpture or print has little utilitarian value. Its appeal must be esthetic and the company is, therefore, dealing in a market where it is very difficult to define buying behaviour. It is a sensitive and, to some extent, volatile market in which the products of the northern Indian or Eskimo artist do not only compete with other "so-called" native art, but with all other forms of art. It is essentially an international type of market in which paintings from Europe and prints from Japan and sculpture from our North are in competition. It is a market which relies heavily on opinion leaders—institutions or individuals who are recognized authorities in the field. To gain acceptance for Eskimo art in New York or London, for example, it is essential to gain acceptance in certain public and private collections—New York, the Metropolitan Art Museum; in London, the Tate Gallery In such collections, Eskimo art is judged on its artistic merits and must compete on these merits. It is an unfortunate fact that the art market appears to be little dependent on Eskimo art whereas many Eskimo artists are highly dependent on the art market. To be successful in this field necessitates not only articles of high artistic merit, but a very planned and careful strategy to market these in the right places.

The craft market is not unlike the fine arts market. It too must appeal to the aesthetic if it is to command the price levels required and to make production economically viable. There is no question that a parka can, in terms of its utilitarian benefits, be produced and sold more economically by southern manufacturers. The marketeer must therefore build an appreciation for the handcrafted, for the craftsmanship and artistry of an Indian or Eskimo handcrafted parka. He must convince the market that the additional cost is justified by aesthetic values. Most critical, he must be capable of assuring the market that a constant supply of high quality, handcrafted products will be available. The dealer is, after all, a businessman. He is dependent on not the sale of one article but on the sale of many. He is unwilling to stock a line unless he is confident that this line will be available to him when his customers require it.

All too often in the past, and indeed in the present, Canadian Indian and Eskimo crafts have not been able to meet this requirement. Craftsmen have gained a reputation for inconsistent quality and for not being able to supply a dealer once he has developed a mar-

Envisageons d'abord le marché des œuvres d'art. Une sculpture ou une estampe, qui n'ont pas d'intérêt utilitaire, doivent susciter l'attrait par leurs valeurs esthétiques; la société doit donc traiter sur un marché où il est très difficile de prévoir le comportement des acheteurs. Il s'agit d'un marché instable sur lequel les produits des artistes indiens et esquimaux du Nord doivent soutenir la concurrence aussi bien des œuvres d'art dites indigènes que de toutes les autres formes d'art. C'est un marché international sur lequel les peintures d'Europe, les estampes du Japon et les cultures du Nord canadien se font la lutte, un marché dominé par l'influence des forces qui orientent l'opinion: associations ou particuliers que l'on reconnaît comme des autorités en la matière. Pour stimuler les ventes d'œuvres d'art esquimaudes à New-York où à Londres par exemple, il importe de les faire accepter par certaines collections publiques ou privées (comme le *Metropolitan Art Museum* de New-York et la *Tate Gallery* de Londres). Dans ces collections, l'œuvre d'art esquimaude est jugée d'après ses valeurs artistiques et ne doit soutenir la concurrence qu'à cet égard. Il est malheureux que le marché de l'art s'alimente si peu à l'art esquimau, alors que les artistes esquimaux dépendent en grand nombre de ce marché. Le succès exige que les articles, en plus d'avoir une très grande valeur artistique, soient lancés dans les secteurs prometteurs du marché selon une technique aussi prudente que méthodique.

Le marché de l'artisanat présente les mêmes difficultés. Pour justifier le prix exigé et pour que la production soit rentable, l'article d'artisanat doit aussi susciter l'attrait par ses valeurs esthétiques. Il va s'en dire que du point de vue utilitaire, un parka peut être fabriqué et vendu d'une façon plus économique par les confectionneurs des régions méridionales. C'est pourquoi, dans le cas d'un parka confectionné par un Indien ou un Esquimau, il faut tenir compte de l'aspect artisanal et artistique, convaincre le marché que le prix plus élevé répond aux valeurs esthétiques du produit, et, ce qui est plus important, pouvoir assurer les vendeurs qu'ils seront continuellement approvisionnés en produits de qualité. Le vendeur est avant tout un homme d'affaires qui s'intéresse à la vente non pas d'un seul article, mais d'un grand nombre d'articles du même genre. Il ne consent à écouler un produit que s'il est sûr de pouvoir répondre à la demande de ses clients.

Malheureusement, il est arrivé et il arrive trop souvent que l'offre ne suffise pas à la demande. On croit souvent avoir affaire à des artisans qui ne peuvent produire des articles de qualité égale et qui ne peuvent approvisionner régulièrement les vendeurs

ket. This has tended to create a chaotic market and in a chaotic market no one really benefits, least of all the craftsmen for so frequently he is forced to sell to dealers with large buying power at extremely low prices. It has essentially been CAP's ability to understand these problems within the market place, to adjust its strategy to a sensitive market, and to build a reputation for quality, continuity of supply, and realistic business practices which has enabled it to increase its sales more than tenfold in roughtly three years.

CAP'S LONG RUN OPERATING STRATEGY

Realizing that the full economic potential of northern communities cannot be realized through the production of art objects alone, and in order to utilize the inherent skills of indigenous people of the north, other areas of production must be exploited. In this respect, the company has embarked on a programme designed to expand the product and market areas in which it is involved. It is constantly seeking new products and service opportunities in the market place. In essence, the company is endeavoring to bridge the gap between the productive resources of the northern Indian and Eskimo people and the market opportunities in southern Canada and other areas of the world. CAP seeks, therefore, to provide not only the marketing skills and resources required to sell products, but also advice on the technological requirements, sources of raw material supply, and managerial assistance to small Indian and Eskimo enterprises wishing to capitalize on these opportunities.

In line with this overall policy and programme for expanding the product and market base for its suppliers, CAP has submitted a proposal to Government for a general restructuring of the company's organization and for permanent capitalization. Again within the specific constraints and direction of its objectives, this proposal, if accepted, will permit CAP that flexibility required to meet the opportunities within the market for its suppliers. More important, it will enable CAP to overcome the critical problem which presently exists in terms of payment to its suppliers. Once capitalized, CAP would be able to pay on receipt of goods within normal business terms. This would, of course, greatly improve the working capital position of its supply groups. It would also overcome another serious difficulty which, while perhaps is

une fois que ces derniers ont activé les ventes. Cette situation a contribué à établir un marché discontinu, dans lequel personne ne retire de réels avantages, les artisans étant même réduits à laisser leurs articles à un prix dérisoire aux vendeurs qui jouissent d'un gros pouvoir d'achat. La CAP a peu heureusement comprendre ces problèmes, adapter ses techniques à un marché instable, acquérir une réputation de fournisseur régulier de produits de qualité, et adopter des pratiques commerciales réalistes, grâce auxquelles, en trois ans à peine, elle a décuplé les ventes.

LES TECHNIQUES D'EXPLOITATION

Comme les possibilités économiques des localités du Nord ne peuvent être réalisées par la seule production d'objets d'art, il faut, pour utiliser les qualités intrinsèques des autochtones des régions septentrionales, exploiter d'autres secteurs de production. A cet égard, la société a institué un programme destiné à étendre les débouchés et répandre les divers produits qui l'intéressent. Elle recherche constamment, sur le marché, de nouveaux produits et des occasions de service. En gros, la société tâche de combler le handicap qui existe entre les moyens de production des collectivités indiennes et esquimaudes du Nord, d'une part, et les débouchés des régions méridionales du Canada et des autres pays du monde, d'autre part. La *CAP* s'efforce donc non seulement de fournir les compétences et les ressources voulues pour vendre les produits, mais aussi de donner des conseils sur les exigences techniques, d'assurer les sources d'approvisionnement en matériaux à l'état brut et d'accorder une aide administrative aux petits entreprises indiennes et esquimaudes qui désirent profiter de ces débouchés.

En conformité de cette ligne de conduite et du programme destiné à multiplier les produits et les débouchés à l'intention de ses fournisseurs, la *CAP* a présenté au gouvernement une proposition prévoyant la réorganisation générale de la société et assurant une capitalisation permanente. Si cette proposition est acceptée, la *CAP* aura la souplesse voulue, compte tenu de ses limites et de ses objectifs, pour permettre à ses fournisseurs de profiter de toutes les possibilités du marché. Bien plus, elle pourra résoudre le problème épineux que pose actuellement le paiement des sommes dues aux fournisseurs. Une fois capitalisée, la société pourra payer les articles sur livraison, selon les pratiques normales. Cette mesure améliorerait sensiblement la situation du fonds de roulement des fournisseurs; elle permettrait aussi de surmonter une autre

not as apparent as shortage of capital, is equally important to the long run future of northern Indian and Eskimo producers. It would permit CAP and its suppliers to plan for the long term and to design programmes which are more than of one year's duration. At present, CAP must live from year to year on the basis of its annual support contract from Government.

In conclusion, CAP is dedicated to meaningful operating objectives to serve certain of the economic needs of northern Indian and Eskimo individuals and groups. It does this by searching for profitable market opportunities which can be exploited by the productive resources of its suppliers. As such, CAP is and must continue to be a business operation and it must protect its image and reputation in the market place for herein lies the economic future, not only for CAP, but also of all its suppliers.

difficulté, tout aussi importante bien que moins manifeste, relativement à l'avenir des producteurs indiens et esquimaux du Nord. En effet, la *CAP* et ses fournisseurs pourraient établir une planification à long terme et élaborer des programmes d'une durée de plus d'un an. Actuellement, elle doit vivre d'année en année, en comptant sur le contrat d'appui annuel du gouvernement.

En conclusion, la *CAP* vise d'importants objectifs, cherchant à satisfaire à certains besoins économiques des Indiens et des Esquimaux du Nord, tant sur le plan collectif qu'à titre individuel. A cette fin, elle recherche des débouchés profitables qui peuvent être exploités en utilisant les ressources productives de ses fournisseurs. De ce point de vue, la *CAP* est une entreprise commerciale qui doit continuer de fonctionner en tant que telle; elle doit en outre veiller à sa bonne réputation sur le marché, condition indispensable de réussite économique, tant pour elle-même que pour ses fournisseurs.

Government
Publications

OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL
CHAMBRE DES COMMUNES

Première session de la
vingt-huitième législature, 1968-1969

LIBRARY
MAY - 7 1969
UNIVERSITY OF TORONTO

STANDING COMMITTEE ON INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 16

TUESDAY, MARCH 25, 1969

LE MARDI 25 MARS 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires—Affaires indiennes et Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

29978—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*

Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs.
et Messieurs

Borrie,
Buchanan
Cullen
Deakon
Dinsdale
Duquet
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
Nielsen
O'Connell
Orlikow
Simpson
Smerchanski
Southam
Thomson (*Battleford-Kindersley*)
Yewchuk (20)

Le secrétaire du comité,

Michael B. Kirby,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

[*Text*]

TUESDAY, March 25, 1969
(17)

The Standing Committee on Indian Affairs and Northern Development met this day at 9:50 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Buchanan, Deakon, Dinsdale, Duquet, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St. Pierre, Watson (12).

Witnesses: From the Department of Indian Affairs and Northern Development: Mr. J.-B. Bergevin, Assistant Deputy Minister (Economic Development); Mr. A. D. Hunt, Director, Northern Economic Development Branch (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

The Chairman read the Fourth Report of the Subcommittee on Agenda and procedure, as follows:

Your Subcommittee recommends that the Committee meet on the following dates to hear and consider the following:

April 15, 1969—Subject: Arctic Boundaries. Witness: Dean Maxwell Cohen, of McGill University Law School.

April 17, 1969—Subject: Friendship Centers. Witnesses: Mr. Walter Dieter, President of the National Indian Brotherhood; Rev. Adam Cuthand, President, Canadian Metis Society; Mr. Walter Currie, president of the Indian-Eskimo Society.

April 22, 1969—Subject: Arctic Boundaries.

April 24, 1969—Subject: Electric Power, Witness: Mr. R. H. Choate, General Manager of Yukon Electrical Co. Ltd.

April 29, 1969—The Minister of Indian Affairs and Northern Development.

PROCÈS-VERBAL

[*Traduction*]

Le MARDI 25 mars 1969
(17)

Le Comité permanent des affaires indiennes et du Nord canadien s'est réuni aujourd'hui à 9 heures 50 du matin, sous la présidence de M. Watson, président.

Présents: MM. Buchanan, Deakon, Dinsdale, Duquet, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Simpson, Southam, St-Pierre, Watson—(12).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J.-B. Bergevin, sous-ministre adjoint (expansion économique); M. A. D. Hunt, directeur, Direction de l'expansion économique du Nord, (expansion économique); M. H. Woodward, chef, Division du pétrole et gaz, Direction du développement, (expansion économique).

Le président lit le quatrième rapport du sous-comité du programme et de la procédure, ainsi qu'il suit:

Votre sous-comité recommande que le Comité siège aux dates suivantes afin d'entendre et d'étudier les sujets suivants:

Le 15 avril 1969—Sujet: Les frontières de l'Arctique. Témoins: M. le doyen Maxwell Cohen, de la faculté de droit de l'Université McGill.

Le 17 avril 1969—Sujet: Les centres communautaires. Témoins: M. Walter Dieter, président de la Fraternité nationale des Indiens; Rév. Adam Cuthand, président de la Société des Métis canadiens; M. Walter Currie, président de l'Association Indiens-Esquimaux.

Le 22 avril 1969—Sujet: Les frontières de l'Arctique.

Le 24 avril 1969—Sujet: L'énergie électrique. Témoin: M. R. H. Choate, directeur général de la Yukon Electrical Co. Ltd.

Le 29 avril 1969—Le ministre des Affaires indiennes et du Nord canadien.

29978—1½

On motion of Mr. Orlikow, it was

Agreed,—That the Fourth Report of the Subcommittee on Agenda and Procedure be concurred in.

On motion of Mr. St. Pierre, it was

Agreed,—That reasonable travelling and living expenses be paid to Mr. Bruce Pearson who appeared before the Committee on March 20, 1969.

The Committee then proceeded to consider item 20—Administration, Development program—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Chairman introduced the witnesses and after Mr. Bergevin and Mr. Hunt had made statements, the witnesses were questioned.

Later, it was

Agreed,—That item 20—Administration, Development Program—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70, stand.

At 12:30 p.m., on motion of Mr. O'Connell, it was

Agreed,—That the Committee adjourn to the call of the Chair.

M. Orlikow propose,

Qu'il soit convenu,—Que le quatrième rapport du sous-comité du programme et de la procédure soit adopté.

Sous la proposition de M. St-Pierre,

Il est convenu que:—Que des frais de voyages et les frais de subsistance soient payés à M. Bruce Pearson, qui a témoigné devant le Comité le 20 mars 1969.

Le Comité procède ensuite à l'étude du crédit 20—Administration, programme d'expansion—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

Le président introduit ensuite les témoins et après les déclarations de M. Bergevin et de M. Hunt les témoins sont soumis à des questions.

Ensuite il a été convenu,—Que le crédit 20—Administration, programme d'expansion—des prévisions budgétaires des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970 soit réservé.

Sur la proposition de M. O'Connell,

Il est convenu,—Que le Comité s'ajourne à 12 heures 30 jusqu'à nouvel avis.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, March 25, 1969

• 0949

The Chairman: Gentlemen, I will now call the meeting to order.

I would first like to report the results of the Steering Committee meeting which was held yesterday.

(For text of the report see Minutes of Proceedings)

The Chairman: May I have a motion of concurrence in this report of the Steering Committee?

Mr. Orlikow: I so move.

Motion agreed to.

The Chairman: May I also have a motion, gentlemen, that Mr. Bruce Pearson, who appeared before the Committee on Thursday, March 20, 1969, be paid reasonable living and travelling expenses with regard to his appearance before our Committee on that day?

Mr. St. Pierre: I so move.

Motion agreed to.

The Chairman: I will now call Item 20 of the Department of Indian Affairs and Northern Development.

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Development Program

20 Administration, Operation and Maintenance including expenditures on works, buildings and equipment on other than Federal property; grants as detailed in the Estimates, and contributions; authority to make recoverable advances for services performed on behalf of the Governments of the Northwest Territories and the Yukon Territory; authority to make contributions to Provincial Governments or other groups or authorities pursuant to agreements entered into with the approval of the Governor in Council respecting natural resources management; authority to sell electric power, fuel oil and services

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 25 mars 1969

Le président: Messieurs à l'ordre.

Premièrement, j'aimerais donner rapport de la réunion du Comité de direction qui s'est tenue hier.

(Pour le texte du rapport, voir procès-verbal des délibérations.)

Le président: Puis-je avoir une proposition d'adoption du rapport du Comité de direction?

M. Orlikow: Je propose l'adoption du rapport.

Adopté.

Le président: J'aimerais entendre aussi une proposition messieurs pour que le témoin qui s'est présenté le 20 mars, M. Bruce Pearson, soit remboursé raisonnablement de ses dépenses de voyage et de subsistance inhérentes à sa comparution devant le Comité, ce jour-là.

M. St-Pierre: Je propose.

Adopté.

Le président: Je passe maintenant au crédit 20 du ministère des Affaires indiennes et du Nord canadien.

MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

Programme de développement

20 Administration, fonctionnement et entretien, y compris les dépenses à l'égard de bâtiments, ouvrages et matériel situés sur des terrains autres que ceux du gouvernement fédéral; subventions, selon le détail des affectations, et contributions; autorisation de consentir des avances recouvrables à l'égard de services rendus pour le compte des gouvernements des Territoires du Nord-Ouest et du Territoire du Yukon; autorisation de faire des contributions à des gouvernements provinciaux ou à d'autres groupes ou autorités en conformité d'accords conclus avec l'approbation du gouverneur en conseil; autorisation de

[*Text*]

incidental thereto together with usual municipal services to private consumers in remote locations when alternative local sources of supply are not available in accordance with terms and conditions approved by the Governor in Council and to provide the same to Departments and agencies of the Government of Canada operating in the Northwest Territories; and authority to provide, in respect of Indian and Eskimo commercial activities, for the instruction and supervision of Indians and Eskimos, the furnishing of materials and equipment, the purchase of finished goods and, notwithstanding any other Act, the sale of such finished goods—$27,690,600.

[*Interpretation*]

vendre, selon les modalités et conditions approuvées par le gouverneur en conseil, de l'énergie électrique, du mazout et les services connexes ainsi que les services habituellement fournis par les municipalités, aux consommateurs privés d'endroits éloignés où il n'existe pas d'autres sources d'approvisionnement, et de fournir ces mêmes services aux ministères et organismes du gouvernement fédéral qui fonctionnent dans les Territoires du Nord-Ouest; et autorisation d'assurer, en ce qui a trait à l'activité commerciale des Indiens et des Esquimaux, l'instruction et la surveillance nécessaires, l'approvisionnement en matières premières et en matériel, l'achat de produits finis et, nonobstant toute autre loi, la vente de ces produits finis—$27,690,600.

Our witnesses today are Mr. J. B. Bergevin, Assistant Deputy Minister of Economic Development; Mr. A. D. Hunt, Director, Northern Economic Development Branch and Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch.

Nos témoins aujourd'hui sont le sous-ministre adjoint du Développement économique, M. J.-B. Bergevin; le directeur du développement économique du Nord canadien, M. A. D. Hunt; et le chef de la Division du pétrole et gaz, Direction du développement, M. H. Woodward.

• 0955

Mr. St. Pierre has indicated he has a number of questions that he would like to direct to the witnesses.

Monsieur St-Pierre nous a dit qu'il avait un certain nombre de questions à poser aux témoins.

Mr. Simpson: On a point of order, Mr. Chairman, I wonder, in view of the difficulty we have had in attendance this morning, as well as at other times, if we could not consider some way in which the chairmen of the meetings could possibly arrange to have a meeting among themselves to try to arrange a somewhat more orderly calling of the meetings.

I understand this morning there are six Committee meetings slated for 9.30. I am not sure just how many are set down for 11 o'clock, but there are not too many. I am sure it is quite evident that six committees meeting at one time is going to create quite a lot of overlapping. It is very difficult to get our members here. I just checked with someone from our Whip's office and I was told that with one exception the rest of the members who are on this Committee are attached to other committees that are meeting at this time.

M. Simpson: En appel au Règlement, monsieur le président, vu que nous éprouvons des difficultés à avoir le quorum ce matin et à d'autres occasions, ne pourrait-on pas envisager que les présidents des comités prennent des dispositions pour tenir des réunions entre eux, pour qu'il y ait un peu plus d'organisation dans la convocation des comités.

Si je comprends bien, il y a 6 réunions de comités ce matin à 9 heures et trente (9h.30) et je me demande combien il y en a à 11 heures? Mais je crois qu'il n'y en a pas beaucoup. Il est très évident, je crois, que six réunions de Comités en même temps peuvent créer du chevauchement. J'ai vérifié au bureau de notre leader en Chambre et l'on m'a dit que tous les députés qui siègent au présent comité, sauf un, siègent également à d'autres comités qui se réunissent à l'heure actuelle.

The Chairman: I believe there is also a problem because of an agricultural meeting that is being held in Ottawa today. Is that not correct?

Le président: Je crois qu'il y a aussi un congrès agricole ici, à Ottawa, en ce moment et que certains députés y participent. N'est-ce pas exact?

[*Texte*]

Mr. Simpson: That is right, but I wondered if something could not be arranged whereby we could stagger these metings a little more during the day in order to try to get a better attendance.

The Chairman: I believe that the Procedure and Organization Committee, which Mr. Deachman is the co-ordinator of, are trying to work out a more adequate system. I will bring to his attention again today the fact that we are having attendance problems. The way is open to this Committee, if it should choose to do so at a later meeting by way of resolution, to authorize the Chairman to hold meetings and to receive and authorize the printing of evidence when a quorum is not present. We could do this formally by way of a motion at some later meeting if we have unanimous agreement. Perhaps we could discuss this in the Steering Committee if we get unanimous agreement to do something along this line.

Mr. Simpson: Very good.

The Chairman: Before proceeding with questions from members of the witnesses, Mr. Bergevin has indicated he has a statement he wishes to make.

Mr. J. B. Bergevin (Assistant Deputy Minister (Development), Department of Indian Affairs and Northern Affairs): Thank you, Mr. Chairman.

Although oil and gas exploration and development activities have been carried out in the Yukon and Northwest Territories since 1919, with the exception of Norman Wells little was done before the middle 1950's, and it is only now almost 15 years later that the true potential of this northern natural resource is receiving widespread recognition.

Today it is apparent that the pulse is quickening and we are, therefore, most happy to have this opportunity to appear before this Committee, and hope that we will be able to elaborate on the encouraging prospects and explain the Department's approach to the situation.

There are now under exploration permit in the Yukon, Northwest Territories and offshore in the Beaufort Sea and Arctic Islands Channel in excess of 380 million acres—the highest figure for active exploration to date. Last year over $30 million was spent on exploration by the oil industry and we are predicting at least $40 million this year. The Pointed Mountain gas field in the southwest Northwest Territories and possible extension of the Beaver River gas field into the adja-

[*Interprétation*]

M. Simpson: C'est exact, mais je me demande si on ne pourrait pas prendre les dispositions voulues pour alterner les réunions de comités, pendant la journée pour qu'il y ait plus de députés présents?

Le président: Je crois que le Comité de la procédure et de l'organisation, dont M. Deachman est le coordinateur, essaie d'établir un système plus approprié. J'appellerai de nouveau son attention, aujourd'hui, sur le fait que nous avons des problèmes relatifs à la présence aux Comités. Le Comité peut, s'il choisit de le faire à une réunion ultérieure par voie de résolution, autoriser le président à tenir des réunions, et à recevoir les témoignages et à en autoriser l'impression lorsqu'il n'y a pas quorum. Nous pouvons le faire officiellement par voie de proposition à une réunion ultérieure, si nous avons le consentement unanime. Peut-être que nous pourrions discuter de la chose au Comité de direction, si nous avons le consentement unanime pour agir dans ce sens.

M. Simpson: Très bien.

Le président: Avant de passer aux questions des députés aux témoins, M. Bergevin aurait une déclaration à faire.

M. J.-B. Bergevin (sous-ministre adjoint (Développement) ministère des Affaires indiennes et du Nord canadien): Monsieur le président. Bien que des travaux d'exploration et de mise en valeur du pétrole et du gaz au Yukon et dans les Territoires du Nord-Ouest, se soient faits depuis 1919, sauf à *Norman Wells*, il s'est fait peu de choses avant le milieu des années 1950, et ce n'est que maintenant, soit 15 ans plus tard, que le véritable potentiel de cette ressource naturelle du Nord est tout à fait reconnu.

Il est évident, aujourd'hui, que le pouls, s'accélère. Nous sommes très heureux de comparaître ici devant le Comité, et nous espérons que nous pourrons vous faire voir en détail les perspectives encourageantes et expliquer l'attitude du ministère à ce sujet.

Il y a, à l'heure actuelle, au Yukon, dans les Territoires du Nord-Ouest, et au large de la mer de Beaufort et dans le chenal des îles de l'Arctique, plus de 330 millions d'acres explorées en vertu de permis, le plus grand chiffre d'exploration active jusqu'ici. L'an dernier, l'industrie pétrolière a dépensé plus de 30 millions de dollars pour l'exploration et nous prévoyons que le chiffre atteindra 40 millions de dollars cette année. Vu la présence d'un champ gazéifère à *Pointed Mountain*, dans le sud-ouest des Territoires, et l'extension possi-

[*Text*]

cent area in the Yukon from British Columbia make it probable that the first gas pipeline will be extended into the Territories within one or two years.

The Panarctic project is now well underway and we expect the first well to commence drilling early next month.

As a result of the Prudhoe Bay discovery on the north slope of Alaska, the region in the area of the Mackenzie Delta and the western Arctic Islands has become attractive and is the scene of extensive land acquisition activity.

• 1000

In January of this year the Department sold by tender offshore exploration permits which brought in undertakings to carry out exploration work in excess of the required minimum, totalling over $15 million. There can be no doubt that the Prudhoe Bay discovery is extremely large and there are those who claim it is the largest oil field in the North American Continent. There are others who say that it may exceed some of the larger Middle East oil fields. However, perhaps the absolute size is not so important as the significance for other similar discoveries. While we are most hopeful that another Prudhoe Bay will be discovered—this time in Canada—and while the geology of the two regions is reasonably similar, we believe a word of caution is required. A second Prudhoe Bay in Canada is by no means guaranteed and simply working on the basis of probabilities of finding fields of this size, the chances might be considered to be pretty slim. However, whether we can expect a monster size oil field or not, we think we are all reasonably confident that fairly large oil deposits will be discovered in Canada's north. Nevertheless, until they have been discovered, we should remind the Committee that in spite of extensive drilling since the discovery of the relatively small Norman Wells oil fields, there have been no oil discoveries of any significant size. Care must be taken, therefore, lest a point of view develops that is based on the assumption we can rely on having a Prudhoe Bay in Northern Canada.

During the past decade the Government has followed a policy of foregoing immediate revenues in order to attract the oil industry to the North for the purpose of explorations. During this period there was really very little reason why companies having good prospects and immediate markets in front of them in Western Canada should come north. However, the government saw the oil resource of the North not only as a means to expanding

[*Interpretation*]

ble du champ gazéifère de la rivière Beaver, de la Colombie-Britannique jusque dans la région adjacente au Yukon, il est probable que le premier pipeline sera prolongé jusque dans les Territoires, d'ici un ou deux ans.

Le projet panarctic est maintenant en cours et nous croyons que les premiers travaux de forage débuteront le mois prochain.

Depuis la découverte de pétrole à *Prudhoe Bay,* sur la pente nord de l'Alaska, la région du Delta du Mackenzie et les îles de l'Arctique de l'Ouest sont devenues attrayantes pour les spéculateurs qui s'y procurent beaucoup de terrains.

En janvier de cette année, le Ministère a vendu par appel d'offres des permis d'exploration qui ont entraîné des engagements d'exécuter les travaux d'exploration en excédent du minimum requis, totalisant plus de 15 millions de dollars. Il ne fait aucun doute que la découverte à Prudhoe Bay est très considérable et il y en a même qui prétendent que c'est le plus grand champ pétrolier sur le continent nord-américain. D'autres, disent qu'ils dépassent les champs pétroliers du Moyen-Orient. Néanmoins, quelle que soit l'ampleur, son importance est moindre que d'autres découvertes et nous pensons qu'il y a tout lieu d'être prudent. Rien ne garantit un second Prudhoe Bay au Canada et travailler dans cette optique serait imprudent. Cependant, que nous puissions ou non espérer un champ pétrolifère géant, nous pensons qu'il est raisonnable d'espérer découvrir des gisements assez importants dans le Nord canadien. Néammoins, tant qu'ils n'ont pas été découverts, nous ne pouvons que rappeler au Comité qu'en dépit de forages intensifs, aucun gisement important n'a été découvert depuis le faible gisement de Norman Wells. Il faut donc prendre garde, de peur que ne se développe l'idée que nous sommes sûrs d'avoir un second Prudhoe Bay dans le Nord canadien.

Pendant les dix dernières années, le gouvernement a oublié toute idée de profits immédiats pour pouvoir attirer l'industrie pétrolière dans le Nord à des fins de prospection. Pendant cette période, elle n'avait aucune raison de venir vers le Nord, puisqu'elle avait de grandes espérances et des marchés immédiats dans l'ouest canadien. Cependant, le gouvernement a vu les ressources pétrolières du Nord, non seulement

[*Texte*]

the resource potential of Canada, but as a means to developing local economy and, in particular, contributing towards the effective occupation of these vast and relatively uninhabited regions.

This view was confirmed in an independent study undertaken by the Department in 1961 by Dr. David Quirin. He, in particular, not only pointed to the need to encourage exploration but to the need to forego immediate short-term and what would be relatively small revenues in the interest of achieving oil production at a cost that would be competitive throughout the world. He pointed out very clearly that northern oil markets would, in the main, have to be international and in order to be able to compete in these markets northern oil could not afford to pay the government premiums that the higher prices prevailing within the protected North American market allow. However, there is no doubt that there is no situation static and that the northern oil situation is at the moment undergoing its most active period of change to date.

The Department has had the current disposal policies under review for some time now and intends to refrain from making any more rights available by permit sale until this review has been completed and any changes thought desirable have been implemented.

At this point, Mr. Chairman, we could proceed in one or two ways as the Committee may desire. Either my colleagues and I could answer questions from the Committee or we could ask Mr. A. D. Hunt to review in some detail the present disposition methods and policy thinking which led to this adoption. I believe we would cover the subject quite effectively using either method and we are, therefore, at the disposal of the Committee. Thank you.

The Chairman: Mr. St. Pierre, you have indicated you have some questions.

Mr. St. Pierre: I would first like to hear from Mr. Hunt, Mr. Chairman, if I may suggest that, and perhaps he will review it in more detail.

Mr. A. D. Hunt (Director, Northern Economic Development Branch, (Economic Development), Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. The regulations which are presently in force, which provide for the disposal of oil and gas rights, were developed roughly a decade ago and I think it might be useful to review the situation at that time.

[*Interprétation*]

comme le moyen d'accroître le potentiel de ressources du Canada, mais aussi comme un moyen de développer l'économie locale et en particulier, de contribuer au peuplement des vastes régions pratiquement désertes.

C'est ce que confirmait une étude indépendante faite par le ministère en 1961, par David Quirin. Il n'a pas seulement insisté sur le besoin d'encourager l'exporation, mais aussi sur la nécessité d'oublier le profit immédiat et ce qui seraient des revenus très faibles pour encourager la production de pétrole à un prix compétitif sur le marché mondial. Il fit savoir très clairement que les marchés pétroliers du nord devraient être internationaux, de façon à pouvoir être compétitifs à l'extérieur. Le pétrole du nord ne pourrait supporter les impositions gouvernementales que permettent les plus hauts prix du marché intérieur protégé de l'Amérique du Nord. Cependant, aucune situation n'est fixe et l'industrie pétrolière du nord est dans une situation où elle subit les changements les plus rapides.

La politique du ministère est actuellement à l'étude et celui-ci a l'intention de n'attribuer aucun droit par vente de permis avant que les résultats de l'étude ne soient connus et que les changements souhaitables n'aient été faits.

A ce stade, monsieur le président, nous pouvons procéder de deux façons, selon ce que désire le Comité. Mes collègues ou moi-même pourront répondre aux questions de messieurs les députés et nous pourrons demander à M. A. D. Hunt de nous donner des détails sur les dispositions actuelles et sur la politique qui a conduit à cette adoption. Je pense que nous pouvons couvrir effectivement le sujet en utilisant l'une ou l'autre des méthodes et nous sommes, en conséquence, à la disposition du Comité. Merci.

Le président: M. St. Pierre, vous avez indiqué que vous aviez quelques questions.

M. St-Pierre: Monsieur le président, je préférerais d'abord entendre M. Hunt, peut-être nous donnerait-il plus de détails.

M. A. D. Hunt (Directeur, Direction du développement économique du Nord, ministère des Affaires indiennes et du Nord canadien): Merci, monsieur le président. Les règlements actuellement en application qui autorisent l'attribution des droits d'exploitation du pétrole et du gaz ont été édictés il y a environ dix ans et je pense qu'il pourrait être utile de revoir la situation.

[*Text*]

• 1005

In the late 1950s something like an average of $5 million a year was being spent on exploration and the scene of interest was restricted to a small area in the region just north of the 60th parallel. The potential for oil and gas in the Northwest Territories, the northern Yukon and the Artic Islands was recognized to some extent in that it was known there was a large sedimentary basin extending along the Mackenzie Valley and swinging around into the Arctic Islands. Generally the potential was recognized partly because of the discovery at Norman Wells and also from the vast volume of sediment that had been indicated by work of a geological survey in the first place, which was followed by the more detailed work of the oil companies, but exploration was not proceeding at a very fast rate. Also, in those days the economic situation did not appear to be particularly attractive. It was clear from looking at any map that the oil and gas would either have to move long distances over land by pipe line or, if we were thinking of the Arctic Islands, it would have to move out in some method which at that time was technically unknown. So, I think it was fairly clear in those days that the great requirement was to encourage industry to begin exploration because, after all, until you have oil you have very little on which to base any revenue return.

This led to a review of the policies in force at that time. Perhaps I might remind the Committee that at that time permits were acquired by staking and the permittee, after maintaining the permit for approximately nine years, could select 35 per cent of the permit under lease, but in one block.

In 1959-60 the regulations were amended, first of all to provide for filing on permits by map grid, which was much more effective and, secondly, to change the lease selection pattern somewhat along the lines the system which is found in the Prairies, that is, on the grid basis of 50 per cent selection, which was higher than that which was allowed before but it was done in such a way that 50 per cent on a checkerboard basis would be returned to the Crown. At that time the term of the lease was set at 21 years—it had always been 21 years—and I think this was also standard in Alberta, British Columbia and Saskatchewan at that time, so that the disposal provisions were somewhat similar to those prevailing in Western Canada, although there were significant differences. The size of the permits and the amount of permit acreage available was larger because it was felt that in order to attract industry they would have

[*Interpretation*]

Vers la fin des années 50, une moyenne de $5 millions étaient dépensés chaque année pour l'exploration et encore celle-ci était-elle réduite à une petite zone immédiatement au nord du 60e parallèle. Les ressources potentielles en pétrole et en gaz, dans les Territoires du Nord-ouest, le nord du Yukon et les îles arctiques, étaient connues dans la mesure où l'on savait qu'il y avait un très grand bassin sédimentaire s'étendant le long de la vallée du fleuve Mackenzie et autour des îles arctiques. Généralement, les possibilités furent reconnues par la découverte de Norman Wells et par l'énorme quantité de sédiments révélés par les travaux des missions géologiques d'abord, par les travaux de détail des compagnies pétrolières ensuite; mais l'exploration n'avançait pas vite. A cette époque, la situation économique ne paraissait pas non plus très brillante. Une étude de n'importe quelle carte montrait que le pétrole et le gaz devraient être transportés sur de longues distances par oléoduc ou gazoduc ou dans le cas des îles arctiques par d'autres moyens qui à l'époque n'étaient pas connus. Il était donc très clair dès cette époque qu'il fallait d'abord encourager l'industrie à commencer l'exploration, car après tout, tant qu'il n'y a pas de pétrole, vous n'avez rien pour produire des revenus.

Ceci me conduit à une étude de la politique en application à cette époque. Il n'est peut-être pas inutile que je rappelle au Comité qu'à cette époque les permis étaient acquis par jalonnage et les détenteurs de permis après neuf ans pouvaient choisir de louer 35% du permis, mais en un bloc.

En 1959-60 les règlements furent amendés, d'abord pour permettre d'enregistrer les permis selon le quadrillage de la carte, ce qui était beaucoup plus efficace, deuxièmement pour changer le type de sélection du bail, selon des normes similaires à celles utilisées dans les prairies, c'est-à-dire sur la base de 50% de la surface quadrillée, ce qui était supérieur à la surface minimum autorisée préalablement. Mais cela a été fait de sorte que 50% de cette sorte d'échiquier revienne à la Couronne. A cette époque, les baux étaient pour 21 ans, ça avait toujours été 21 ans et je crois que c'était également la norme en Alberta, en Colombie-Britannique et dans la Saskatchewan, les conditions étaient donc assez semblables à celles qui régnaient dans les provinces de l'ouest, avec cependant quelques différences. L'importance des permis et la surface attribuable était beaucoup plus grande, car on avait réalisé que pour attirer

[*Texte*]

to have the opportunity to acquire fairly large holdings. The royalty was set at a slightly lower level than the average in the Western provinces, and particularly in Alberta.

However, in order to understand this I think I should go into a little detail. In Alberta, for example, the royalty is around 8 per cent and 16⅔ per cent but the average paid, because this is a sliding scale depending on the rate of production, now works out to around 12 per cent. Some 10 years ago I believe the average paid worked out to around 11 per cent and, of course, there has been an adjustment of royalty in that interim period. The royalty set in the North was a flat

• 1010

10 per cent. Mind you, for the first three years it was set at 5 per cent in recognition of the much higher exploration and development expenditures and, of course, everything we have seen to date would indicate that these higher costs have indeed been borne out, and it costs several times the amount it does in the Prairies to bring a well into production. Exploration, of course, is also a great deal more expensive. So, there is certainly a difference between the royalty rates in the North and the royalty rates to the south, but it is not extremely large when it is worked out in practice.

Dr. Quirin suggested that it would be unwise at too early a stage in the oil business to charge or, if you like, optimize short-term revenues. In other words, to charge high rentals and try to get high returns by cash sales of exploration rights. Following this line of thinking, no rentals are charged on exploration permits. However, once the permit is converted to lease—that is, a lease which allows for production—a standard rental of $1 an acre is charged. This is fairly standard, I think, in many parts of the North American continent.

In addition to there being no rentals for permits, the thought is that in the north any individual company would have just so much money to budget for oil exploration, and if it had to spend money for rental it would, of course, carry out less exploration. I think this is fairly well established as a result of discussions with industry.

The refraining from charging rental is also, of course, supported by many of the incentive programs of the Department in road building, road assistance building and airstrip assistance building, and so on, all again pointing towards the one idea of trying to channel all the money that is available for northern oil

[*Interprétation*]

l'industrie, il fallait lui consentir des surfaces suffisamment importantes. Les redevances furent fixées à un taux légèrement inférieur à celui des provinces de l'ouest, notamment en Alberta.

Cependant, pour bien faire comprendre cela, je crois que je devrais donner plus de détails. En Alberta par exemple, les redevances varient entre 8% et 16⅔%, mais la moyenne, du fait que l'échelle dépend de la production se situe aux alentours de 12%. Il y a dix ans, je pense que la moyenne des redevances était de l'ordre de 11%, il y a eu évidemment depuis cette époque, une remise à jour des taux de redevance. Le taux des redevances dans le nord avait été fixé uniformément à 10%. Cependant, il était seulement de 5% pendant les trois premières années, pour compenser pour le coût plus élevé de l'exploration et de l'exploitation. Et en fait, il faut bien constater que le coût de mise en exploitation d'un puits est plusieurs fois plus élevé ici que dans les prairies. L'exploration, elle aussi est évidemment beaucoup plus chère. Il y a donc une différence à faire entre les redevances dans le Nord et les redevances plus au sud, mais en pratique, la différence n'est pas si considérable.

Le docteur Quirin a indiqué qu'au début, il serait maladroit de demander des redevances trop élevées, ce serait si vous voulez une recherche malvenue de revenus à court terme. En d'autres termes, imposer des redevances élevées. Par conséquent, les permis d'exploration sont gratuits. Toutefois, une fois qu'un permis devient une concession, c'est-à-dire qui autorise la production, nous chargeons un dollar l'acre. Je crois que c'est le prix courant sur le continent nord-américain.

Outre la gratuité des permis, toute société a un budget fixe pour l'exploration; si elle doit en plus payer les frais de location, elle dépensera moins pour l'exploration. C'est ce que nous avons établi lors de nos entretiens avec l'industrie. Le fait d'émettre des permis d'exploration gratuits, en plus des nombreux programmes entrepris par le ministère, pour la construction de routes, de pistes d'atterrissage et autres ont tous pour objet de canaliser tous les fonds disponibles pour la recherche pétrolifère dans l'exploration, plutôt que dans des opérations à but lucratif.

[*Text*]

risk—search—into the exploration activity and not into a revenue-producing operation.

The term of the permit is also somewhat longer than to the south. It is a minimum of nine years in the area immediately north of the 60th parallel, and it increases to 12 years in and around the Arctic Islands and north of the 70th parallel. This was set in recognition of what was expected to be a very long period between the initiation of exploration and the likelihood of, first of all, discovery, and secondly, of course, the development of markets. I suggest that to some extent we are still facing that situation, with the exception, as Mr. Bergevin mentioned, of some gas in the extreme southwest corner of he Norhwest Territories.

Unfortunately, we have not experienced to date any further, or any other large-scale, discoveries of either gas or oil, and there is, of course, often a very long period between discovery and the marketing of the output.

Relative to leases, the term, as I have suggested, is set at 21 years. Again, this was set in recognition of the fact that it might well be a long time before an oil company making a discovery of gas or oil would be likely to deliver it to market.

I should point out that in the existing regulations there is a provision in the lease term under which the Minister may require oil companies to drill two wells, the first one after a period of three years and the second

• 1015

one a year following that. This was similar to a standard provision in the Western Provinces, and the purpose, of course, was to make sure that companies did not just simply pay their $1 an acre rental and hold on to their leases. This provision was utilized in Alberta to speed up exploration and as a means of reducing the lease term from 21 years to 10 years not very long ago. Once exploration has resulted in extensive oil and gas discoveries in the north I think a similar approach would, of course, be open to the Minister in this northern region.

Therefore, I suggest that at the moment the term of 21 years is not entirely irrevocable and that it is a required incentive, in view of the still remote areas that we are dealing with.

Relative to the Crown reserve, if I might use that term—this is the checkerboard pattern of the 50 per cent of the permit acreage that is returned—the government has an option, of course, on how to dispose of this under the regulations, and it was thought best at the

[*Interpretation*]

Les permis sont de durée plus longue que dans le Sud. Ils sont valables pour une durée de neuf ans dans le secteur se trouvant immédiatement au nord du 60e parallèle, et d'une durée de 12 ans dans les îles de l'Arctique et au nord du 70e parallèle. On avait établi cette durée, en prévision d'un long délai nécessaire entre le début de l'exploration, et la découverte et la mise en valeur de ces découvertes. D'ailleurs, ce problème se présente encore aujourd'hui, à l'exception, comme l'a dit M. Bergevin, des champs de gaz dans l'extrémité sud-ouest des Territoires du Nord-Ouest.

Malheureusement, nous n'avons pas encore découvert d'importants champs de gaz ou de pétrole, et, bien sûr, il peut s'écouler beaucoup de temps entre la découverte d'un puits et la commercialisation de la production.

Pour en revenir aux concessions, la durée en est de 21 ans, comme je l'ai dit tantôt, et nous voulions par là reconnaître qu'il pouvait y avoir un long délai entre la découverte d'un champ pétrolifère par une société et la commercialisation de la production.

Je dois signaler que dans le règlement en vigueur maintenant, il y a des dispositions dans la concession en vertu desquelles le Ministre peut demander aux sociétés pétrolières de forer deux puits, l'un après trois ans et le second l'année suivante. Ces dispositions sont analogues à celles qui sont en vigueur dans l'Ouest, et leur but est de s'assurer que les sociétés ne se contentent pas simplement de payer un dollar l'acre pour les frais de location pour conserver leurs concessions. Dernièrement on s'est servi de ces dispositions en Alberta pour accélérer l'exploration et, comme moyen de réduire la durée de la concession de 21 à 10 ans. Une fois que l'exploration donne lieu à des découvertes intenses de pétrole ou de gaz dans le Nord, le ministère pourra adopter la même attitude dans le Grand Nord.

Par conséquent, je dirais qu'en ce moment la durée de 21 ans n'est pas tout à fait irrévocable, et que ce n'est qu'un stimulant nécessaire à l'égard des régions éloignées qui nous préoccupent. Pour ce qui est des restrictions imposées par la Couronne, on a trouvé qu'il y a 50 p. 100 de superficie sous permis, le ministère peut, à sa discrétion, en disposer comme il veut; on a jugé bon à l'époque de prévoir que l'octroi se ferait par ce qu'on appelle des concessions de redevances supplé-

[*Texte*]

time to provide that the method of disposal would be by what is termed additional royalty leases at the option of the original permittee.

This was introduced with the desire, again, to avoid what I might call extensive front-end loading of the costs of developing oil and gas in the north. Under the system that is available to the permittee to select these additional royalty leases, depending on the rate of production that may be attained, these additional leases will be granted for the payment of the usual terms—the basic rental, the basic royalty, plus an additional royalty that may be up to 40 per cent of gross; and, of course, 40 per cent of gross represents a very large proportion, and generally a greater proportion, of net and would be likely to result in the government's receiving the lion's share of the net revenue on these additional royalty leases.

The sliding scale for this additional royalty was calculated so that it should produce—and I do not say it will in every case—on average the same amount of return to the Crown, over a longer period, of course, as would the Crown cash bonus system. But it has this added advantage, that instead of the company, which normally would make the cash bid, having to get a return on that cash bid at the time, it pays for its lease, if you like, or pays for its cash bonus, out of current production. This allows the company actually to work on a lower profit margin because it does not have to make a profit on the money it has invested to buy the lease as well as make a profit on the money it has invested in the production facility. Therefore, from an economic point of view, it should provide lower cost oil.

According to Dr. Quirin and I emphasize that we feel very much the same—northern oil is going to have to compete in international markets and, as such, I do not think the word "cheap" oil is correct, but I think the word "low-cost" oil must be a desirable objective. It is one thing, I suggest, to talk about returns from oil within a protected market, but it is quite another thing to try to make sure that the well-head price of oil can be low enough that this northern oil can compete in international markets.

• 1020

We, of course, cannot be sure what the net back is likely to be, but, given the higher cost of exploration, the higher costs of development and operating and probably—and this we are not sure of, of course,—the higher cost of transportation, it is certain, I think,

[*Interprétation*]

mentaires au choix du détenteur original de permis en valeur dans le Grand Nord pour le pétrole et le gaz.

Nous voulions encore une fois éviter ce que j'appellerai des frais excessifs de mise en valeur du pétrole et du gaz dans le Nord. En vertu de ce régime, selon le taux de production qui est atteint, ces concessions supplémentaires seront accordées au prix ordinaire des frais de location, outre les redevances supplémentaires qui peuvent être 40 p. 100 du revenu brut, ce qui est une forte proportion en général et beaucoup plus élevée que le revenu net, et résulterait probablement à ce que le gouvernement reçoive la part du lion.

L'échelle descendante pour les redevances supplémentaires a été calculée de telle sorte, je ne dirais pas qu'il en sera toujours ainsi dans chaque cas, qu'elle produise en moyenne le même montant de revenus au cours d'une plus grande période, comme le ferait le système de bonus comptant de la Couronne. Mais il y a cet avantage supplémentaire que la société, au lieu d'avoir des revenus sur ces redevances, elle paie ses concessions, ou si vous le voulez, ses primes à même la production courante. Ceci, en fait, permet à la société d'opérer pour une faible marge de bénéfices parce qu'elle n'est pas obligée de faire un profit sur l'argent investi dans l'achat des concessions ainsi que sur l'argent investi dans les opérations et les installations. Par conséquent, du point de vue économique, ce système devrait permettre d'extraire du pétrole à bon marché.

D'après ce que dit M. Quirin, et je dois souligner que nous éprouvons le même sentiment, la *Northern Oil* se verra obligée de rivaliser sur le marché international, et je ne crois pas que le terme «pétrole à bon marché» soit de mise, mais je pense que l'on devrait plutôt dire «pétrole à bas prix».

Je crois que c'est une chose de parler de revenus provenant du pétrole dans le cadre d'un marché protégé, et c'est une tout autre affaire que d'essayer de s'assurer que le prix du pétrole peut être assez bas pour qu'il puisse soutenir la concurrence internationale.

Évidemment, nous ne pouvons pas être certains du revenu net, mais, étant donné le coût de plus en plus élevé de l'exploration et les frais de la mise en valeur et d'exploitation, et probablement, même si nous n'en sommes pas certains, le coût plus élevé du transport, il

[*Text*]
that the northern oil must be relatively low-cost in total; and this is not going to be easy to achieve if the revenues to the government are set at too high a level initially.

The approach, I think, has been to feel the way gradually to try to determine what these returns might be and how they might be increased. As Mr. Bergevin has indicated, we are now reviewing the disposal provisions to see whether, in the light of the rapidly changing situation, there should be changes. I think I have covered the main aspects of the disposal policy, Mr. Chairman.

Mr. Chairman: Mr. Orlikow?

Mr. Orlikow: It is going to sound like heresy, but as I listened to the two witnesses I wondered why we seem to be in such a hurry. I understood you to say that at the moment the cost of a pipe line over the very long distance we would have to move the oil would be very great. Is that correct?

Mr. Hunt: The cost of pipe line transmission could be somewhat higher than elsewhere on the continent because of the longer distance; mind you, a very large volume might offset this to some extent.

Mr. Orlikow: There is at the moment no other known feasible method of transportation? In other words, at the moment there is no proven experiment in moving oil by ship so that it could move in a regular manner, and so on?

Mr. Hunt: I think, sir, one would have to look at the point of origin; this is the problem. If we are thinking of the southern territories, say around Fort Liard—if we are looking at the area just immediately north of the 60th parallel we have to think in terms of a pipe line without doubt.

If we are looking at the mouth of the Mackenzie and the Mackenzie Delta, it could either be a pipe line delivering oil, say, to the mid-continent region, or it could be by either surface or submarine tanker through the Northwest Passage, and this is one of the things that is changing so rapidly today.

Mr. Orlikow: But at the moment neither Canada nor any other country that we know of has been successful in moving oil by tanker or by submarine in a commercial way?

[*Interpretation*]
apparaît évident que le pétrole des régions du Nord doit dans l'ensemble être relativement bon marché; ce qui ne sera pas facile à réaliser si les revenus au gouvernement sont fixés à un niveau trop élevé dès le début.

Je pense que la perspective dans laquelle on abordait la chose consistait à procéder graduellement pour voir quelles pouvaient être ces redevances et comment on pouvait les augmenter. Comme l'a dit M. Bergevin, nous sommes en train de réviser dans le moment les dispositions d'utilisation des rebus et voir s'il y a lieu de faire des changements à la lumière d'une situation très changeante. Je pense que je vous ai donné un tableau d'à peu près tous les aspects de la politique, monsieur le président.

Le président: Merci. Monsieur Orlikow?

M. Orlikow: Je pense, monsieur le président, que ceci va avoir l'air un peu hérétique, mais en écoutant parler les deux témoins, je me demandais pourquoi nous sommes si pressés? J'ai cru comprendre que vous disiez que dans le moment le coût d'un pipeline sur une longue distance pour le transport de l'huile, serait très élevé. Est-ce que c'est exact?

M. Hunt: Le coût du transport par pipeline pourrait être un peu plus élevé qu'ailleurs sur le continent parce que les distances sont plus longues. Naturellement, si vous avez un fort volume, vous pouvez toujours contrebalancer les frais dans une certaine mesure.

M. Orlikow: Et dans le moment il n'y a pas d'autres moyens connus de transport dont on peut se servir? Autrement dit, on n'a pas fait d'expériences concluantes que déplacer le pétrole par bateau peut se faire de façon régulière.

M. Hunt: Je pense que le point d'origine est le problème. Si vous pensez aux territoires du Sud, Fort Liard par exemple, si vous regardez à la région juste au nord du soixantième parallèle, je pense qu'il faut certainement penser à un pipeline.

Maintenant si vous prenez le Mackenzie et le delta Mackenzie, vous pouvez avoir soit un oléoduc qui desservirait, disons le milieu du continent, ou bien vous pouvez avoir un pétrolier sous-marin ou en surface qui passerait par le passage Nord-Ouest, et c'est une des choses qui changent si vite aujourd'hui.

M. Orlikow: Mais dans le moment ni le Canada ni aucun autre pays que nous connaissons n'a réussi à transporter du pétrole par un pétrolier ou un sous-marin de façon commerciale?

[*Texte*]

Mr. Hunt: No; in fact, in any way really, in that region.

Mr. Orlikow: In view of that, Mr. Chairman, and in view of the difficulties we are already having in selling the oil we have in Alberta, for example, on the U.S. market, which apparently will be made more difficult by the discovery at Prudhoe Bay—and perhaps this is something that should be taken up with the people in Trade and Commerce rather than the people in Northern Affairs—I just wonder about the common sense of following a policy of making more and more concessions to companies which at the moment, because of the apparent surplus of

• 1025

oil all over the world, would not go into the North unless you make these kind of concessions.

I just wonder about the common sense of making these kind of concessions and virtually giving the oil away over millions of square miles of this country when, unless we do so, they are not interested. Perhaps this is not the time to push for it; perhaps we should hold it in reserve until there is a need for oil or until some technical breakthroughs in transportation methods make the oil there more mobile. I just wonder whether Mr. Bergevin would like to make any comments on the advisability of a crash policy of getting the companies to go in there when there is no real need, and when you have to give them these tremendous concessions before they will move in.

Mr. Bergevin: You seem to imply that the high transportation cost of oil is the key element. I am of the opinion that it is the production of oil, not the transportation, which will be a key element. Right now, granted that Alberta Oil has to appeal to a protected market which is a Canadian market, but as Mr. Hunt pointed out in his exposé a minute ago he was talking about low-cost oil.

Perhaps the system we have developed in Canada until now has produced high-cost oil. Correct me if I am wrong, but I do not think we can say there is an oversupply of oil on the world market right now, and the potential market for low cost Canadian oil, I say again, is rather encouraging.

Mr. Orlikow: If I gave the impression that I thought transportation was the only prob-

[*Interprétation*]

M. Hunt: Non. D'aucune façon, en fait, dans cette région.

M. Orlikow: Eh bien, monsieur le président, à la lumière de cette réponse et étant donné les difficultés que nous avons déjà pour vendre le pétrole que nous avons en Alberta, par exemple, sur le marché américain, ce qui sera apparemment encore plus difficile après la découverte de la baie Prudhoe, on pourrait peut être discuter de cette question avec les représentants de l'Industrie et du Commerce plutôt qu'avec les représentants des affaires du Nord, mais je pensais que le bon sens de suivre une politique consistant à faire de plus en plus de concessions aux sociétés qui, pour le moment, étant donné l'excédent de pétrole dans le monde, n'iraient pas dans le Nord si ce n'était des concessions.

Je me demande s'il y a du bon sens à faire ce genre de concessions et virtuellement de donner le pétrole sur une surface de milliers de milles carrés de ce pays, alors qu'ils ne sont pas intéressés, si nous ne le faisons. Ce n'est peut-être pas le moment de pousser cette mesure; je pense que peut-être le mieux serait de conserver nos réserves jusqu'à ce que nous ayons un besoin de pétrole ou d'attendre qu'il y ait des découvertes techniques dans les moyens de transports pour que l'huile qui est là soit plus mobile. Je me demande si monsieur Bergevin voudrais faire quelques commentaires sur l'opportunité d'avoir une politique d'après laquelle les sociétés iraient là-bas lorsqu'on n'a pas un réel besoin de pétrole et lorsqu'il faut leur faire des concessions, parce qu'autrement ils ne sont pas intéressés.

M. Bergevin: Vous avez l'air de laisser entendre que le coût élevé du transport du pétrole constitue le facteur clé. Je suis d'avis que c'est la production d'huile, pas le transport, qui serait l'élément clé. Dans le moment, reconnaissant que le pétrole de l'Alberta doit faire appel à un marché protégé, le marché canadien, mais comme M. Hunt l'a dit tout à l'heure dans son exposé, il parlait de pétrole à bas prix.

Peut-être le système que nous avons mis au point au Canada jusqui'ci a produit du pétrole à coût très élevé. Corrigez-moi si j'ai tort mais je ne pense pas que dans le moment on puisse dire qu'il y a un excédent de pétrole dans le marché mondial et je répète que le marché possible d'un pétrole canadien à bas prix est assez encourageant.

M. Orlikow: Si j'ai donné l'impression que je pensais que c'était le transport qui était le

[*Text*]

lem, that was an exaggeration of what I meant. We have a national oil policy whereby the oil needs for Canada east of the Ottawa River are supplied by importation of oil from South America, and so on. Oil from Alberta, Saskatchewan and British Columbia, and a very small amount from the Virden field in Manitoba, is used in Canada from British Columbia to the Ottawa River, and a good deal is exported to the United States.

That is under constant review by the Americans. They have their own problems; they have their own pressures from American producers and from American companies that have sources other than Canada, and it can and has been cut.

Now, it just seems to me that if we think we should have a policy of supplying all of Canada from Canadian sources—in other words, building a pipe line to Montreal and even east of Montreal—I do not see the point of this push to have more and more oil production in Canada. I question what we are going to do with it.

Mr. Hunt: I wonder, sir, if I might put it in a slightly different way? Might I interpret your remarks to suggest that Northern oil must necessarily compete in the same markets as Western Canadian oil? I do not think this is really the case. I would suspect that Northern oil—and it is going to have to be found in large quantities—if it is found in quantities which will allow it to be low cost, will compete I would think on international markets, particularly in Europe.

For example, from the Mackenzie Delta, let us say, to Chicago it is roughly about 3,000 miles by pipe line; it is 3,600 miles by sea to

• 1030

Europe from roughly the same point or perhaps a little to the east in the Arctic Islands. Assuming that we can deal—and this is a question, I realize—with the Arctic ice, I think the Northern oil would be far more likely to seek an outlet in Europe than in Chicago, for example.

Mr. Orlikow: That is a large assumption you are making, is it not, that we can deal with Northern ice?

Mr. Hunt: Yes.

[*Interpretation*]

problème, c'est exagérer ce que je voulais dire. Nous avons une politique nationale du pétrole d'après laquelle les besoins en pétrole pour la partie du Canada qui s'étend à l'est de l'Outaouais sont comblés par des importations d'Amérique du Sud et d'ailleurs. Tandis que dans l'Ouest, on a le pétrole de l'Alberta, de la Saskatchewan et de la Colombie-Britannique, et une très petite quantité du Manitoba pour le territoire qui va de la Colombie-Britannique jusqu'à l'Outaouais, et une bonne partie est exportée aux États-Unis.

Cela fait l'objet de revisions constantes aux États-Unis. Les Américains ont leurs propres problèmes; ils subissent les pressions des producteurs américains et des sociétés américaines qui ont d'autres sources à part le Canada, et le pétrole peut être coupé et il l'a déjà été.

Maintenant, il me semble que si nous pensons que nous devons avoir une politique consistant à fournir au Canada entier le pétrole provenant de sources canadiennes, c'est-à-dire construire un pipe-line jusqu'à Montréal et peut-être jusqu'à l'est de Montréal, et je ne vois pas du tout l'argument qui justifie cette tendance à avoir de plus en plus de production pétrolière au Canada. Je me demande ce que nous allons en faire.

M. Hunt: Permettez-moi d'aborder la question dans une perspective légèrement différente. J'interprète ce que vous avez dit: vous avez dit que le pétrole du Nord doit nécessairement faire concurrence sur les mêmes marchés que le pétrole de l'Ouest et je ne crois pas que c'est véritablement le cas. Je suppose que le pétrole du Nord, et il faut en trouver en grandes quantités, si on en trouve en quantités telles qu'il sera peu coûteux, alors je pense qu'il pourrait soutenir la concurrence des marchés mondiaux, surtout en Europe.

Pour vous citer un exemple, du delta du Mackenzie à, disons, Chicago, la distance est d'environ 3,000 milles par pipe-line, alors qu'elle est de 3,600 milles par mer jusqu'à l'Europe, en partant d'à peu près le même point, peut-être un peu plus à l'est dans les îles de l'Arctique. Supposons que nous pouvons—et ici évidemment je comprends que c'est une question que je pose—supposons que nous pouvons régler le problème des glaces dans l'Arctique, je suppose que le pétrole du nord aurait des débouchés plus facilement en Europe qu'à Chicago?

M. Orlikow: Oui, mais régler le problème des glaces est une hypothèse assez grave que vous posez là, n'est-ce pas?

M. Hunt: En effet.

[*Texte*]

Mr. Orlikow: My point is that perhaps we would be better off, instead of spending money directly in building roads and other facilities in the North, to invest money in research to beat the ice problem—and if we could beat the ice problem perhaps we could make a much better deal with the oil companies.

Mr. Hunt: May I take you up on two things? Is this all right?

The Chairman: Yes.

Mr. Hunt: One, I think, is an assumption that, shall we say, the terms of disposal are really a give-away. I suppose this is of course a matter of opinion but I would like to emphasize, if I might, that the royalty is not significantly lower than in western Canada. Perhaps I did not emphasize that the additional royalty leases will by no means cover all those leases of that category. There will be many many cases where companies will refrain and have indeed already refrained from selecting such leases and they then are available for the normal cash bonus sale.

I would suggest that the revenues in the long term from northern oil will not be significantly reduced from anywhere else on the continent. It is just the time at which they are taken and the method in which they are taken that differs. They try to fit in with the situation. However, admittedly, until we have production and can prove it, it is a matter of opinion.

On the transportation aspect, as a result of Prudhoe Bay Humble Oil Company will be sending the SS *Manhattan,* a 115,000 ton tanker, through the Northwest Passage this coming summer in an attempt to determine whether this is a feasible method. We have had discussions with the Electric Boat Division of the General Dynamic Corporation who have done a lot of research on submarine tankers and they tell us that they are moving towards being in a position to design and develop what they think would be a commercial submarine tanker. In other words, I really do not think that the technology of getting the oil out of this area is lagging very far behind.

One thing at least Prudhoe Bay will do for Canada, I would suggest, is give an impetus to this research and to the necessary technological advancement. I would suspect that it may indeed result in one method or another of moving the oil from that far northern region to markets both from the point of view of Prudhoe Bay to the east coast of North

[*Interprétation*]

M. Orlikow: Ce serait peut-être préférable, au lieu de dépenser de l'argent, directement pour la construction de routes et d'autres installations dans le nord, d'investir dans la recherche pour voir comment on peut régler le problème de la glace. Si nous pouvons régler ce problème-là, nous pourrons certainement avoir un meilleur marché avec les compagnies de pétrole.

M. Hunt: J'aimerais vous parler de deux choses si vous me le permettez, monsieur le président.

Le président: Oui, bien sûr.

M. Hunt: Je prends l'hypothèse de la cession à bon marché ou presque gratuite du pétrole. Je vous signale que les redevances ne sont pas beaucoup moins élevées que dans l'Ouest du Canada. Je n'ai peut-être pas insisté sur le fait que les baux supplémentaires visent tous les cas où bien des compagnies s'abstiendront de sélectionner des baux, qui peuvent être ainsi vendus comptant. Permettez-moi de vous dire que les revenus qui proviendront du pétrole du Grand-Nord ne seront pas de beaucoup inférieurs aux revenus du reste du continent. Cela dépendra du moment où l'on fera l'exploitation, tout simplement et de circonstances. Mais, naturellement, tant que nous n'aurons pas de production et que nous ne pourrons pas le prouver, c'est une affaire d'opinion.

Sur le plan du transport, Humble va envoyer le *SS Manhattan,* pétrolier de 35 mille tonnes à travers le Passage du Nord-Ouest, cet été pour voir si cette méthode est réalisable ou non. Nons avons aussi eu des entretiens avec la *Electric Boat Division* de la *General Dynamic Corporation* qui effectue des recherches considérables sur les sous-marins pétroliers. Et, cette compagnie nous annonce qu'elle sera bientôt en mesure de concevoir et de faire fonctionner ce qui sera un futur pétrolier commercial.

Alors, sur le plan technique, je pense que l'on n'est pas tellement en retard pour le transport du pétrole.

Le pétrole de la Baie Prudhoe sera pour le Canada tout entier un élan vis-à-vis de la recherche et des découvertes technologiques. J'ai l'impression, qu'éventuellement, on pourra en tirer des méthodes de commercialisation, par exemple, de Prudhoe Bay jusqu'à la Côte est de l'Amérique du Nord, des îles de l'Arctique jusqu'au nord de l'Europe.

[*Text*]

America and from the point of view of the delta on the Arctic Islands to Europe.

Mr. Orlikow: Yes but one of the other things it may very well do is to say to the Americans, now that we have this tremendous source of oil in Alaska which we want to sell in the continental United States, perhaps we do not need all this oil coming in from Alberta to the midwestern and western states of the United States. Then, in that case, we would have an immediate tremendous surplus of oil without finding all this extra oil which there probably is in the northern part of Canada. It just seems to me, Mr. Chairman—and I will end on this note because there are other members who want to ask questions—that the place to attack this whole question is in the trade and commerce committee. We are attacking this whole question of oil in bits and pieces with no real thought to the total needs of Canada internally or to the need of Canada to sell surplus oil outside Canada.

• 1035

Mr. Dinsdale: A supplementary, Mr. Chairman.

Mr. Orlikow: We are again proceeding in such a manner that the left hand does not know or does not care what the right hand is doing.

The Chairman: Mr. St. Pierre is next on the list. You have a supplementary.

Mr. Dinsdale: In connection with the oil supply situation, Mr. Bergevin in his statement referred to the Quirin report, the independent two volume study, as I recall, which was a very detailed examination of the oil prospects in Northern Canada. It would indicate that the Department was quite concerned that they should move forward in a carefully planned and co-ordinated way because the Department commissioned this study.

Dr. Quirin anticipated that by 1975 we would be reaching a point in world production, according to the present prospects, where there might be an oil shortage because of the astronomical growth and consumption, particularly as the under-developed parts of the world become industrialized, and also because, from the standpoint of the best information available at the time, of the pros-

[*Interpretation*]

M. Orlikow: Oui, mais une des autres choses qui pourrait bien arriver serait de dire aux Américains, maintenant que nous avons cette ressource de pétrole considérable en Alaska que nous voulons vendre aux États-Unis, peut-être que nous n'aurons pas tout ce pétrole en provenance de l'Alberta qui actuellement, est livré aux États du Mid-West et de l'Ouest américain. Et alors il arrivera dans ce cas que nous aurions immédiatement un surplus énorme de pétrole sans l'avoir réellement découvent dans ce qui est actuellement le Nord du Canada. Il me semble, monsieur le président, et je veux finir sur ce point, car je sais qu'il y a d'autres membres du Comité qui désirent poser des questions, que l'endroit où il faudrait attaquer toute cette question serait au Comité des finances, du commerce et des questions économiques. Nous sommes en train d'attaquer la question générale du pétrole, morceau par morceau, sans réellement considérer l'ensemble des besoins du Canada à l'intérieur ou l'ensemble des ressources que le Canada veut vendre à l'étranger.

M. Dinsdale: Une question supplémentaire, monsieur le président.

M. Orlikow: Nous sommes de nouveau en train d'agir de telle manière que la main gauche ne sait pas ce que fait la main droite ou ne s'occupe pas de ce que la main droite fait.

Le président: Monsieur St-Pierre, vous êtes le prochain nom sur ma liste. Vous avez une question supplémentaire.

M. Dinsdale: En ce qui concerne la situation de l'approvisionnement en pétrole, M. Bergevin dans sa déclaration, s'est référé au rapport Quirin, cette étude indépendante en deux volumes, qui, si je me le rappelle bien, est une étude très détaillée des prospections futures de pétrole dans le Grand nord canadien. Ce dernier rapport indique que le ministère était foncièrement préoccupé des problèmes puisqu'il a subventionné cette étude afin de trouver une formule planifiée et coordonnée.

M. Quirin croyait que, en 1975, nous atteindrions un point dans la production mondiale de pétrole, selon les prospections actuelles, où la production de pétrole serait déficitaire. Ceci particulièrement à cause de la croissance astronomique de l'économie et de la consommation, particulièrement à cause du développement des pays jusqu'à présent sous-développés et qui passent au stage industriel; et

[*Texte*]

pects for oil exploration and discovery. Do you feel that the Quirin findings still stand?

Dr. H. Woodward (Chief, Oil and Gas Division, Development Branch (Economic Development), Department of Indian Affairs and Northern Development): I will attempt to comment here but perhaps it will not be in as much detail as you would like. The Quirin report, based on the 1960-1961 study of markets throughout the world and sources of oil, made these forecasts. But, as you know, many dramatic things happen which even economists cannot forecast. The oil from North Africa, from Nigeria, from Australia, even Prudhoe Bay as of the middle of last year comes in. These are the things that are difficult to assume. No one even can predict on the basis of population explosions and so on what the demand requirements are going to be. It is pretty difficult to watch the forecast of supply conditions which come in rather dramatically from time to time. As a consequence, Quirin's supply forecasts are considerably in error, but his demand forecasts are still reasonable and are based on good assumptions.

Mr. Dinsdale: Did he not anticipate discoveries in the North?

An hon. Member: That was one of the main purposes of the study.

Mr. Hunt: What he said was that if discoveries in the North were of sufficient size to allow for an economy of scale that is necessary or found, if that size of discovery is found, the constantly increasing world demand should allow northern oil to find an outlet. In other words, it would not have to displace oil supplies that are already established on established patterns because the annual increase in demand is such that we should be able to find a place for northern oil on international markets. He did suggest certainly that there might be a shortage in the late 1980's. I think from that point of view that perhaps he was being a little conservative and, as Dr. Woodward has said, the discoveries in North Africa, Australia, the North Sea and so on do tend to indicate that we are not going to run out of oil.

[*Interprétation*]

aussi à cause du temps d'arrêt marqué dans les meilleurs renseignements disponibles à cette époque sur les prospections et les explorations de pétrole ainsi que sur les découvertes. Pensez-vous que le rapport Quirin est encore d'actualité?

M. H. Woodward (Chef, de la Division du pétrole et gaz, Direction du développement, (Expansion économique) ministère des Affaires indiennes et du Nord canadien): J'aimerais faire un commentaire en ce moment, mais peut-être qu'il ne sera pas aussi détaillé que ce à quoi vous vous attendez. Le rapport Quirin, qui s'est basé sur l'étude des marchés de l'année 1960-1961, à l'échelle mondiale, et visant les ressources de pétrole a fait ces prévisions. Mais comme vous le savez, plusieurs choses très importantes se sont produites que les économistes n'avaient pas prévu: le pétrole en provenance de l'Afrique du Nord, de la Nigeria, de l'Australie, et même de la Baie Prudhoe, au cours de l'an passé. Ce sont des phénomènes qui sont difficiles à prévoir. Personne ne peut prévoir même ce que sera l'explosion de la population et son effet sur les besoins. Il est très difficile de vérifier les prévisions des conditions d'approvisionnement qui changent d'une façon souvent considérable de temps à autre. C'est pourquoi le rapport Quirin, en ce qui concerne les prévisions d'approvisionnement, s'est trompé sur une large échelle. Cependant, ces prévisions des besoins restent malgré tout raisonnables car ils sont basés sur des présomptions solides.

M. Dinsdale: N'avait-il pas prévu des découvertes dans le Grand nord?

Une voix: C'était le principal sujet de l'étude.

M. Hunt: Tout ce qu'il a dit, c'était que si des découvertes se produisaient dans le Grand nord, et qu'elles étaient d'une importance suffisante pour les exploiter d'une façon économique, l'augmentation constante des besoins mondiaux pourrait permettre à ce pétrole du Grand nord de trouver un débouché. En d'autres mots, il n'y aurait pas eu besoin de déplacer les approvisionnements de pétrole actuels de leur trajet déjà établi car l'augmentation annuelle des besoins serait telle qu'il serait facile de trouver un débouché pour le pétrole du Grand nord sur les marchés internationaux. Il a certainement fait mention qu'il y aurait un manque de pétrole à l'échelle mondiale à la fin des années 1980. A ce point de vue, je pense qu'il a été un petit peu trop conservateur et comme le docteur Woodward l'a dit, les découvertes d'Afrique du Nord, de l'Australie, du Grand nord, et de la mer du Nord nous démontrent que nous ne sommes pas prêts à manquer de pétrole.

[*Text*]

Mr. Dinsdale: I think he anticipated political instability in the Middle East too?

Mr. Hunt: Yes he did. Whether that means the oil will not be available is another matter.

Mr. St. Pierre: Mr. Chairman, my questions really centre on the old conundrum of the balance between offering enough incentive to bring countries into the North and at the same time ensuring that the government is going to get a fair share of the returns. From what both witnesses have said today, of course, I realize how difficult a balance this is

• 1040

to strike. In any case Mr. Hunt has given us a pretty full description of the present system and of the thinking which led to it.

The map which has been supplied the Committee today indicates that everything beyond the Pre-Cambrian Shield in the Mackenzie basin and in the Arctic Islands is already leased, which perhaps would make any discussion of the terms of our present leases of no purpose—if the leasing is complete as this map indicates.

Mr. Hunt: Mr. Chairman, perhaps I might answer that question in two parts. The first one is a very simple yes. Most of the areas of thicker sediments—in other words those areas having reasonable prospects for oil and gas—are now under oil and gas permit.

Perhaps I might take the liberty of trying to maintain the difference here between permit and lease, because there is a significant difference in the details. However, we fully expect that not all this vast area is going to be retained under permit. We have gone through, I would suggest now, about two major cycles of very rapid acquisition of permit rights held during the low-cost period, the five-cent-per-acre work requirement period, and then they are surrendered. I always go back to the situation in Alberta on this where, I believe—I should not mention the company's name—a company was drilling very close to the Leduc reef and pulled off, saying that they did not think there was any oil around there. It was followed the next year by Imperial who very nearly quit but kept on drilling a little longer. There are all sorts of tales about this in the town of Leduc.

In other words, companies look at areas with one point of view in mind, they do not see anything attractive, they surrender, and it

[*Interpretation*]

M. Dinsdale: Je crois qu'il a aussi prévu l'instabilité politique du Moyen-Orient?

M. Hunt: Oui, c'est cela. Mais savoir que ce pétrole ne sera pas disponible, ça c'est un autre problème.

M. St.-Pierre: Monsieur le président, ma question revient au vieux problème de l'équilibre entre offrir des conditions attrayantes afin d'amener certains pays à exploiter le Grand nord et en même temps s'assurer que le gouvernement recevra une rémunération convenable à même les revenus. D'après ce que les deux témoins ont dit, je réalise combien l'équilibre est difficile à obtenir. En tout cas, M. Hunt nous a donné une description très complète du système actuel et de la ligne de conduite qui l'a déterminé.

La carte qui a été remise au Comité aujourd'hui, indique que toute la région au-delà du bouclier canadien, dans le bassin du Mackenzie, et dans les îles de l'Arctique est déjà affermée, ce qui peut-être, rend toute discussion sur la forme des baux actuels hors de propos, si les baux ont été complétés tel que la carte nous l'indique . . .

M. Hunt: Monsieur le président, je pourrais faire une double réponse à cette question. La première est un très simple oui. La plupart des régions aux couches sédimentaires épaisses, soit en d'autres mots, les régions où il y a des chances raisonnables de découvrir du pétrole et du gaz sont actuellement déjà cédées en vertu d'un permis sur le pétrole et le gaz.

Peut-être devrais-je prendre la liberté de soutenir qu'il y a une différence ici entre un permis et un bail car, la différence se trouve particulièrement dans les détails.

Toutefois, nous sommes confiants que cette vaste région ne sera pas retenue en entier par des permis. Je dirais que nous avons connu environ deux cycles d'acquisition rapide de droits d'exploration pendant la période où les exigences étaient moindre (5 c. par acre) et ces droits ont été abandonnés ensuite. Je reviens à la situation en Alberta où une société, dont je devrais taire le nom, a fait des forages très près du gisement de Leduc et s'est ensuite retirée, disant qu'il n'y avait pas de pétrole dans cet endroit. *L'Imperial* s'y est rendu l'année suivante, a presque abandonné mais a continué à forer pour un certain temps. Toutes sortes d'histoires circulaient dans la ville de Leduc à propos de ces forages.

En d'autres mots, les sociétés voient les terrains dans une optique bien précise: si elles ne trouvent rien d'intéressant, elles abandon-

[*Texte*]

goes through the cycle again. So I would suggest that it is by no means too late to examine the terms and to plan for the future.

Mr. St. Pierre: Thank you. I understand that by our checkerboard system, one half of a lease returns to the government on a discovery. I do not know if I am putting this in correct terms. The company has the prior choice in the checkerboard pattern of half the property, and the other half returns to the government. I believe in the south this would then be auctioned by the government, while in the north we have allowed the original discoverer an option of buying the entire area at—are these set prices or a scale?

Mr. Hunt: A scale. It is what is called an additional royalty and perhaps I might illustrate it here. It gets a little bit technical. First of all, if I might outline a permit, permits vary between about 40,000 acres and 80,000 acres. They are based on the geodetic latitude and longitude and, because of the convergence of the meridian, they get smaller as you go north. But say 50,000 acres for a permit.

And at the end of the exploration period, either 9 or 12 years, the company must take out leases. It can take out leases prior to that period if it so wishes, at any time, and it is allowed to select these leases—and I will try it on a grid square pattern again—in such a way that it ends up with about 50 per cent of the area under its lease term, 21-year lease. Ten per cent royalties, that is the first three years, and $1.00 an acre rental.

It can, within 60 days of making this selection, select this area for additional royalty lease. And this additional royalty is on a sliding scale. It goes by zones starting at the highest zone at the 60th parallel and decreasing towards the north. However, this is entirely at the Minister's discretion and can be changed at any time. So I do not think it would be betraying anything if I said that we are reassessing these zones to see whether in the light of Prudhoe Bay and in the light of the activity trying to find the Northwest Passage, we are correct in maintaining zones that decrease northwards. Maybe the Delta is going to be far more accessible perhaps than . .

[*Interprétation*]

nent l'exploration et le cycle reprend. Je crois donc qu'il n'est pas trop tard pour examiner cette question et pour faire des projets pour le futur.

M. St. Pierre: Merci. D'après notre système de damier, une moitié de la concession est rendue au gouvernement lorsqu'il y a découverte. Je ne sais pas si j'emploie les termes exacts. La société a le premier choix sur la moitié de la concession qu'elle désire garder; l'autre partie est cédée au gouvernement. Dans le Sud, cette partie rendue serait vendue aux enchères par le gouvernement, tandis qu'au nord, le découvreur du gisement peut acheter la région entière. Est-ce que l'achat se fait à un prix fixe ou selon une échelle de prix?

M. Hunt: Il y a une échelle de prix. C'est ce qu'on appelle une redevance additionnelle et j'aimerais illustrer ce point. On tombe dans un domaine tant soit peu technique. D'abord, il faut préciser qu'un permis couvre un territoire variant de 40,000 acres à 80,000 acres environ. Les limites de ces permis sont établies selon les lignes de latitude et de longitude, de sorte que les territoires octroyés par les permis dans le nord se rapetissent à cause de la convergence des méridiens au nord. Disons qu'un permis couvre un territoire de 50,000 acres en moyenne.

A la fin de la période d'exploration, qui peut être de 9 ou 12 ans, la société doit obtenir une concession. Elle peut obtenir des concessions avant, si elle le désire, et elle a le droit de choisir ces concessions de sorte qu'elle se réserve environ 50 p. 100 du territoire entier avant la fin de la concession de 21 ans. Les redevances s'élèvent à 10 p. 100 pendant les premiers trois ans et la location est de $1 l'acre.

La société peut, dans les 60 jours de son choix, délimiter le territoire qu'elle désire pour les redevances supplémentaires. Ces redevances sont établies selon une échelle mobile.

Les redevances sont les plus élevées vis-à-vis le 60e parallèle et elles diminuent à mesure qu'on monte vers le nord. Toutefois, ces redevances sont fixées par le ministre et elles peuvent changer n'importe quand. Je ne crois pas faire d'erreur grossière en disant que nous réévaluons ces zones pour déterminer si, à la lumière de ce qui se passe à la baie Prudhoe ou des efforts pour retrouver le passage du Nord-Ouest, nous devons maintenir des zones qui diminuent d'étendre vers le nord. Peut-être que le delta sera beaucoup plus facilement accessible que . . .

[*Text*]

• 1045

The Chairman: A supplementary question. Is this the only thing that is open to change, the sliding scale? Or is there any other aspect of this additional royalty lease that is subject to change at the Minister's discretion? Could he eliminate it?

Mr. Hunt: Yes. He could eliminate it.

The Chairman: Without breaking the agreement.

Mr. Hunt: Yes. That is right. I would want to emphasize very strongly that these Crown reserve areas are available for disposal by the government under any terms it wishes to set, and there is no prior commitment to the industry. The moment, we have what is called a land order which sets out the intent of how these will be disposed of as long as that order is in effect. But it is in no way a contractual commitment or even, I think, a long-term commitment to the industry to maintain that method of disposal. In fact the order itself says that the royalty sliding scale rates will be reviewed from time to time, and at least every five years.

Mr. St. Pierre: Has the industry expressed satisfaction with this? They do not feel that they are being asked to move in this expensive area without sufficient guarantee?

Mr. Hunt: No, they have recognized that it is a basic principle that 50 per cent returns to the Crown for disposal as the Crown wishes. They have said that they like to have the rules of the game set out as clearly as possible. And this is what the order attempted to do.

I will show you in a diagram the economic theory behind this method. This is a present value profile with discount rates down at the bottom here. And what we have really said—this is zero—what we have really said is that we have taken the likely or range of size of oil fields and we have said that roughly 50 per cent of that oil field will return to the Crown, and would be available for sale as proven oil reserve. What would it be worth? And you then work out its present value today, that is, after taking away from the total value of the oil that is to be produced in the future, the cost of development. And you clock it on a graph at different rates of discount, like that.

Then you can say, if you are discounting the future returns to present value at, say, 10 per cent,—and this is in millions of dollars going up here—this would be its value today.

[*Interpretation*]

Le président: Est-ce que cette échelle mobile est le seul élément susceptible de changer? Y a-t-il d'autres éléments de ces redevances supplémentaires qui sont susceptibles de changer selon la volonté du ministre? Pourrait-il l'enlever complètement?

M. Hunt: Oui, certainement.

Le président: Sans briser l'entente?

M. Hunt: Exactement. Je voudrais souligner que le gouvernement peut disposer à sa guise de ces régions qui appartiennent à la Couronne et qu'il n'a aucune obligation envers l'industrie privée à cet égard. Pour l'instant, nous avons ce qu'on appelle un arrêté gouvernemental sur les terres qui précise les intentions du gouvernement pour l'utilisation de ces terres. Mais ce n'est pas du tout son engagement contractuel, ni même, je pense, un engagement à long terme envers l'industrie.

L'arrêté dit que l'échelle mobile des redevances sera revisée de temps en temps, tous les 5 ans au moins.

M. St-Pierre: Est-ce que l'industrie en est satisfaite? Est-ce qu'on n'est pas réticent à s'aventurer dans cette région où la vie est chère, sans avoir des garanties suffisantes?

M. Hunt: Non, les industries ont reconnu que c'était un principe fondamental que 50 p. 100 revienne à l'État qui en dispose à sa discrétion. Nous avons dit qu'ils aiment à connaître les règles du jeu et qu'elles soient le plus clair possible. C'est ce que l'arrêté a tenté d'établir.

Je vais vous montrer à l'aide d'un diagramme la théorie économique sur laquelle repose cette méthode.

Voici un aperçu de la valeur actuelle avec les taux d'escompte ici, en bas. Ce qu'effectivement nous avons dit—ici vous avez zéro—c'est que nous avons pris les dimensions des champs de pétrole et nous avons dit qu'en gros, 50 p. 100 de la production de ce champ de pétrole reviendra à l'État et sera mis en vente comme réserve de pétrole confirmée. Quelle en serait la valeur? Vous calculez alors sa valeur actuelle, c'est-à-dire en retranchant la valeur totale du pétrole qui doit être produit dans l'avenir, le coût de l'exploitation. Vous le reportez sur un graphique à différents taux d'escompte, comme ceci.

Vous pouvez ensuite dire, si vous faites l'escompte des revenus à venir de la valeur actuelle, à, disons, 10 p. 100—et ceci est exprimé en millions de dollars, en haut ici—

[*Texte*]

And by taking various size oil fields was how we got this sliding scale. Taking this method we have worked out, allowing the industry a fairly low rate of return on various size oil fields—because, after all, they bid in the provinces at a fairly low rate of return on proven oil—we have worked out what the present value should be and we have set the additional royalty so that it should return that present value plus the allowance for having to get the return over a period of years rather than immediately.

So, if I might suggest, I think the question is, should the Crown insist on immediate revenue rather than get its equivalent over a longer period? If we insist on immediate revenue, it increases the total investment the industry has to make and therefore it increases the rate of return the industry has to get. The actual profit has to go up.

Mr. St-Pierre: And therefore increases the cost of the oil.

Mr. Hunt: That is right. As a matter of judgment, it is very difficult, I think, to prove a case one way or the other, but as I emphasize, I think it will be an international market.

• 1050

Mr. Simpson: Mr. Chairman, I wonder if the witness could tell the...

The Chairman: Is that a supplementary, Mr. Simpson, on this block question?

Mr. Simpson: It relates to the block question.

I would like to ask Mr. Hunt, actually what rights do the people have under permit? I mean, what surface rights do they have? I realize, and we all know, that 99 per cent of the area is uninhabited. But actually what rights do the oil people have, surface rights, in relation to nomadic people moving around the area or camping? What rights do they actually have? What is the extent of their rights?

Mr. Hunt: The rights they have give them the right to go on unoccupied Crown lands and perhaps I should define unoccupied Crown lands as lands which have not been formally disposed of by lease or by sale or by some reservation of easement or granting of easement; in other words, the open areas of the Northwest Territories. They can go on those lands for the purposes of their explora-

[*Interprétation*]

ceci donnerait la valeur aujourd'hui. C'est en prenant des champs de pétrole de différentes dimensions que nous en sommes arrivés à cette échelle décroissante. Au moyen de cette méthode nous avons déterminé, en accordant à l'industrie un taux de revenu assez bas sur divers champs de pétrole—parce qu'après tout elle fait des offres dans les provinces à des taux passablement bas sur le pétrole éprouvé—nous avons déterminé, dis-je quelle devrait être la valeur actuelle et nous avons établi la redevance supplémentaire pour en recevoir le revenu sur une période de trois ans plutôt que sur le champ.

Alors, je dirais que la question est celle-ci: est-ce que la Couronne devrait insister pour avoir des revenus immédiats ou bien recevoir l'équivalent sur des périodes plus longues? Si nous exigeons un revenu immédiat, cela augmente l'investissement total que l'industrie doit faire et cela augmente donc le taux du revenu que l'industrie doit réaliser. Le profit réel doit augmenter.

M. St-Pierre: Et, par conséquent, augmente le coût du pétrole.

M. Hunt: C'est exact. Alors, il est difficile évidemment de trancher une question tellement hypothétique dans un sens ou dans l'autre, mais comme je le souligne, je crois que ce sera un marché international.

M. Simpson: Monsieur le président, le témoin pourrait-il nous dire si...

Le président: Est-ce une question supplémentaire, monsieur Simpson sur cette affaire de bloc.

M. Simpson: Cela se rapporte au bloc.

Je voudrais demander à M. Hunt quels droits ont les gens et quels droits a-t-on en vertu d'un permis? Quels droits de surface ont-ils? on sait que 99 p. 100 du terrain est inhabité. Mais quels droits ont les explorateurs de pétrole, à la surface, par rapport aux peuples nomades?

M. Hunt: Les droits de ces sociétés leur permettent d'occuper les terres de la Couronne non occupées; ce sont des terres qui ne sont pas cédées officiellement par voie de concession ou de permis, ou dont le droit d'usage n'a pas été réservé ou accordé; autrement dit, les régions désertes des Territoires du Nord-Ouest. Ces terrains peuvent être utilisés à des fins d'exploration. Ces

[*Text*]

tion. They do not have any overriding authority to displace anyone else. If they go in an area where other people hold similar rights, say mining or forestry rights, they have to seek a settlement between the two. Perhaps you are thinking of northern residents, their hunting rights and that sort of thing. The oil companies are able to go over the same areas as the people who are living there and undertake their seismic work or their geologic work, but they are, of course, not allowed to displace the people or interfere with whatever they are doing.

Mr. Simpson: That is actually what I wanted to know. I am not in any way indicating that the companies may tell people to move along, but if it came to a point of that nature, they would not have any authority, as you say, to displace people or even to tell them that they must move along because they have that land under lease.

Mr. Hunt: If they have that land under any form of grant they have no authority whatsoever. They then have to go to a magistrate in the district and post a bond which the magistrate thinks is reasonable to compensate for whatever damage they might do. They do have the right in common with the Prairie Provinces of going on to leased or privately-held land for exploration purposes, but it can only be done under very controlled conditions, with proper compensation and with the situation having been viewed by a magistrate of the district to make sure that they behave in a proper manner. I do not think any magistrate would allow them, shall we say to move someone's house or to interfere with a dwelling.

Mr. Simpson: That is fine. I asked the question because I noticed that some of the islands—I am not sure of the ones I am looking at but Melville Island and some of the others—seem to be pretty well under some type of permit. I am thinking of the hunting rights, for instance, of the people living in the area.

Mr. Hunt: Mr. Chairman, this brings up a point that is of concern. Perhaps in fairness I might elaborate on it a little. I think there is some concern with respect to the manner in which the activities of the oil companies might interfere with the environment; the manner in which vehicles passing over the very delicate tundra may create drainage channels, may upset the surface and so on. This is a difficult question and we are now looking very carefully at developing, shall I say regulations which would provide, hopefully, for reasonable protection of the envi-

[*Interpretation*]

sociétés n'ont pas le pouvoir de déplacer quelqu'un. Si elles vont dans une autre région où des gens détiennent des droits analogues, miniers ou forestiers par exemple, les Sociétés doivent s'entendre entre elles. Ces droits ne doivent pas entrer en conflit avec les droits des autochtones par exemple, les droits de chasse. Elles ont le droit d'aller dans ces régions où vivent les gens et faire des travaux géologiques mais elles n'ont pas le droit de les déplacer ou de gêner leur activité.

M. Simpson: Voilà justement ce que je voulais savoir. Je ne voudrais pas que la Société soit en mesure de dire aux gens de se déplacer. Si les choses en venaient à ce point, elles n'ont pas l'autorité, comme vous le dites, de déplacer les gens ou même de leur dire de déménager parce qu'elles doivent faire des travaux.

M. Hunt: Si elles ont le droit d'usage des terrains, elles n'ont aucune autorité à ce sujet. Elles doivent s'adresser à un magistrat dans le district et donner une caution jugée raisonnable par le juge pour dédommager les habitants. Elles ont le droit toutefois de concert avec les provinces des Prairies d'utiliser des terrains particuliers à des fins d'exploration, mais cela doit se faire de façon très contrôlée. Le magistrat doit voir à ce que tout se fasse de façon raisonnable. Je ne pense pas qu'un juge permettrait à une société de prendre possession d'une maison de particulier ou de gêner son activité.

M. Simpson: Très bien. J'ai posé ma question parce que j'ai constaté que quelques-une de ces îles—je ne sais pas trop lesquelles mais l'île Melville et quelques autres en particulier—semblent concédées en vertu des permis d'un genre particulier. Je pense en particulier aux droits de chasse des habitants de cette région.

M. Hunt: Je crois devoir souligner monsieur le président, que cela soulève une question inquiétante sur la manière dont l'activité de la société pétrolière pourrait altérer le milieu. Par exemple, l'emploi de véhicules dans la toundra pourrait créer des canaux de drainage et briser la surface, etc. Voilà une question technique assez difficile et nous étudions minutieusement la possibilité de mettre au point un règlement qui assurerait la protection raisonnable du milieu tout en permettant les travaux courants d'exploration. Je crois qu'en général nous essayons d'en venir à un

[*Texte*]

ronment while at the same time allowing the normal exploration programs to proceed. Generally, we are trying to reach a com-

• 1055

promise between preventing unnecessary damage and at the same time preventing exploration because of unreasonable limitations. We are looking at that very carefully right now.

Mr. Simpson: Thank you.

The Chairman: Mr. St. Pierre, do you have a supplementary? Mr. O'Connell?

Mr. O'Connell: As time is passing, I will hold my line of questioning if I might have a little time later.

Mr. St. Pierre: I would like to pursue this question of the delicate balance in providing incentive. I wonder, Mr. Chairman, if the witnesses could tell us about the American system in neighbouring Alaska; whether the American oil companies were offered more incentive, better terms than we are offering in the North, or approximately the same. Have they been as active in the North as our oil companies have been, or have they been less active and extremely fortunate in finding Prudhoe Bay?

Dr. Woodward: I am afraid we cannot respond to that query in detail. In general in Alaska exploration is done actually directly in the lease stage. The land is leased to begin with. There is no exploratory permit stage where one can do preliminary assessment with the idea of detailing prospects and then taking leases. These leases are obtained either from the federal government or, of course, recently in Alaska, through the state. Only parts of the area have been leased to date and the Prudhoe Bay discovery, of course, is on such a lease, as I am indicating. Another lease sale will be coming up this summer which will be a cash type situation.

Mr. Hunt: I think that there is no doubt that the terms of disposal in Alaska are more rigorous than in northern Canada. I think, however, we have to look at the fact that any oil found in Alaska has available to it the protected market of the United States at considerably above world prices and it has immediate entree to that market, as has already been demonstrated by the Cook Inlet area and is now being demonstrated by the planned pipeline from Prudhoe Bay to the south coast of Alaska. The oil will then be taken down to the Puget Sound area and to the California market. There is already talk—

[*Interprétation*]

compromis entre les deux pour éviter toute destruction inutile et pour ne pas gêner l'exploration à cause de restrictions déraisonnables. Nous étudions la question très attentivement.

M. Simpson: Je vous remercie.

Le président: Monsieur St-Pierre, vous avez une question? Monsieur O'Connell?

M. O'Connell: Je crois que je vais réserver ma question pour plus tard car le temps passe.

M. St-Pierre: J'aimerais revenir à cette question délicate des encouragements. Je me demande, monsieur le président, si le témoin pourrait nous parler du système américain en Alaska. Est-ce que les sociétés pétrolières américaines offrent plus d'encouragements, de meilleures conditions que nous dans le Grand Nord ou est-ce à peu près la même chose? Les Américains sont-ils aussi actifs dans le Grand Nord que nos propres sociétés ou ont-ils été moins actifs et extrêmement fortunés de faire la découverte à Prudhoe Bay?

M. Woodward: Je crois que nous ne pourrons répondre à la question. En général, dans l'Alaska, l'exploration se fait sous forme de concession, il n'y a pas de permis d'exploration en vertu duquel on peut faire des relevés préliminaires pour se faire une idée des possibilités et prendre ensuite une concession. Ces concessions s'obtiennent auprès du gouvernement fédéral et en Alaska, auprès de l'État, et certaines régions ont été mises sous concessions et la Baie de Prudhoe en est une en particulier. Il y aura une vente de concessions cet été, c'est-à-dire une vente au comptant.

M. Hunt: Je crois que les conditions de disposition en Alaska sont plus rigides que les nôtres mais je crois que le pétrole découvert en Alaska jouit d'un marché protégé aux États-Unis particulièrement au niveau des prix et d'un accès immédiat à ce marché, comme cela a été prouvé dans la région du *Cook Inlet* et maintenant par le projet de pipeline de Prudhoe Bay et le sud de l'Alaska. Le pétrole sera transporté vers Puget Sound et ensuite vers la Californie. On parle déjà d'un pipeline de Seattle ou les environs jusqu'à Chicago. Leur pétrole a donc un marché garanti et elles peuvent exiger un prix plus

[*Text*]

I am not sure how firm—of a pipeline from Seattle, or in that neighbourhood, across to Chicago. Therefore, they have a guaranteed market available to them and of course can in return ask much higher terms for their leases. They do not have to compete in world markets.

Mr. St. Pierre: Perhaps we might seek a comparison with other oil-producing nations. I do not know how difficult these comparisons may be to make. How attractive is it for the companies to operate in the Middle East or Venezuela in comparison with what we are offering in the Arctic of Canada and the subarctic?

Mr. Hunt: Perhaps I could answer that in two steps. Some time ago—and I think this would be borne out by the Canadian Petroleum Association—an assessment was made, a comparison was made, shall we say between the terms or the actual payments by the industry through rental, royalty, cash bonus and the federal income tax in Canada, because I think one has to look at the total charge, neglecting for a minute some of the other charges on taxes, indirect taxes, import duties on machinery and so on. Nowadays in the Middle East a fairly common arrangement is a profit split—between 50 per cent and 75 per cent profit split.

Mr. St. Pierre: Seventy-five for whom?

Mr. Hunt: Seventy-five for the Middle East government involved and 25 per cent for the company. It gets as high as that. Not all deals are on that basis even today. It was worked out in the West, as I say, as near as one can get it, and it appeared that there was about a 75-26 profit split. I would expect, therefore, that there would be a slightly lower profit

• 1100

split in Northern Canada at this moment under the present requirements, but not significantly lower. So much depends on the costs, the size of the field you are dealing with and so on, but I think you have to take into account all the sources of government revenue when you are comparing with the Middle East.

Mr. St. Pierre: Just one final question, Mr. Chairman. Does it follow from the evidence we have heard so far that if the Canadian market were reserved for Canada alone, that is, if we had a national policy obliging Eastern Canada to buy available Canadian oil before importing any oil from outside, automatically the government's return from any discoveries in the Arctic would be high-

[*Interpretation*]

élevé pour leurs concessions parce que les sociétés n'ont pas à livrer une concurrence pour obtenir les marchés.

M. St-Pierre: On pourrait faire une comparaison avec d'autres pays qui produisent du pétrole. Je sais que c'est assez difficile. Quels sont les avantages pour une compagnie à opérer au Moyen-Orient ou au Vénézuéla par rapport à ce que nous offrons dans les régions arctiques et sud-arctiques?

M. Hunt: Je pourrais répondre à cette question en deux étapes. Il y a queqlue temps—et je crois que cela peut être vérifié auprès de la *Canadian Petroleum Association*—on a comparé par exemple les paiements effectués par l'industrie en termes de redevances de primes, de dégrèvements ficaux, etc. Je crois qu'il faut envisager la chose globalement, en oubliant un instant les autres taxes, les taxes indirectes, les taxes d'importation sur l'outillage, etc. Au Moyen-Orient à l'heure actuelle, on partage les profits dans une proportion de 50 à 75 p. 100.

M. St-Pierre: 75 p. 100 pour qui?

M. Hunt: 75 p. 100 pour le gouvernement du Moyen-Orient en cause et 25 p. 100 pour la compagnie. Cela a été établi dans l'Ouest et il semble que ce soit là aussi un partage à 75 p. 100. Je croirais donc que le partage des profits dans le Nord du Canada sera un peu plus bas pour répondre aux exigences actuelles, mais pas tellement plus bas. Cela dépend du champ pétrolifère en question évidemment, des coûts, etc. Je dirais qu'il faut tenir compte de toute la source de revenus du gouvernement lorsqu'on fait une comparaison avec le Moyen-Orient.

M. St-Pierre: Une dernière question, monsieur le président. Est-ce qu'il s'ensuit, des témoignages que nous avons entendus jusqu'ici, que les marchés canadiens ne seraient que pour le Canada? Autrement dit que nous avons une politique qui oblige l'Est du Canada à acheter notre propre pétrole avant d'en importer. Les profits que retirerait le gouvernement de toute découverte dans le

[*Texte*]

er, as is now the case in Alaska with Prudhoe Bay?

Mr. Hunt: I think it would be clear, of course, if we assume that northern oil were to, shall we say, be delivered into the Maritimes that it would be delivered into a higher priced market, so that presumably the returns available to the companies would be higher. The problem—and I am sorry to seem to qualify the situation again—is that the volume available by serving Eastern Canada although significant is not the sort of volume that we would hope could eventually be developed in the North and we would then be facing the very difficult problem which they are now facing in Prudhoe Bay of whether there should be a dual price structure. There has been thought given to the fact, of course, that Prudhoe Bay oil could be used to serve the Pacific rim, and particularly Japan, but to do this a dual price structure would have to be developed, and it would need a lot more thought to answer you.

Mr. St. Pierre: Thank you, Mr. Chairman.

The Chairman: Mr. Dinsdale.

Mr. Dinsdale: My questioning will have to be foreshortened, Mr. Chairman, because I have to go to another committee. However I would like to ask just one or two brief questions concerning the validity of the northern oil regulations as they operate at the present time. There has been a considerable upsurge in interest in the prospects of northern oil particularly since Prudhoe Bay.

How do our regulations compare with the American regulations in the Alaska area. Is it possible to answer that briefly? Have we influenced them or have they influenced us. Their problems are somewhat the same as ours; getting capital to flow into the northern regions.

Mr. Hunt: I think from our discussions at the official level that we have tended to influence their thinking rather than anything else, although this is not apparent in their actual regulations. As Dr. Woodward indicated, their only disposal method, really, is by lease and they are 2,200 acre leases. Mind you, you can get quite a number of them right off at $1 an acre rental. They do not have the permit stage.

Perhaps I might assess how they have approached this situation. You must remember that the majority of these lands were lands administered by the Bureau of Land Management of the U.S. federal government, and they are administering areas off Louisia-

[*Interprétation*]

Grand Nord, ne serait-ils pas plus élevés que dans l'Alaska à la Baie Prudhoe?

M. Hunt: Il est clair, si nous supposons que le pétrole du Grand Nord est livré aux Maritimes, qu'il serait livré sur un marché dont les prix sont plus élevés. Par conséquent, les profits probables pour les sociétés seraient plus élevés. Je m'excuse d'apporter une réserve, mais le problème c'est le volume disponible en desservant l'Est du Canada. Bien qu'il soit important, ce n'est pas le même volume qu'on prévoit obtenir dans le Grand Nord. Nous ferions alors face au problème qui se pose maintenant à la Baie Prudhoe, c'est-à-dire, celui d'un double régime de prix. Le pétrole à la Baie Prudhoe pourrait desservir la région du Pacifique, mais il faudrait établir un double régime de prix. De toute façon, il faudra approfondir la question.

M. St-Pierre: Merci monsieur le président.

Le président: Monsieur Dinsdale.

M. Dinsdale: Je devrai abréger ma question, monsieur le président, car je dois me rendre à un autre comité. J'aimerais poser une ou deux brèves questions au sujet de la validité du règlement concernant le pétrole à l'heure actuelle. Il y a eu regain d'intérêt dernièrement à l'égard des perspectives du pétrole du Grand Nord surtout depuis la découverte de la Baie Prudhoe.

Comment notre règlement se compare-t-il avec celui qui est appliqué dans l'Alaska par le gouvernement américain? Est-il possible de répondre à cette question brièvement? Les avons-nous influencés ou nous ont-ils influencés? Leur problème est fondamentalement le même que le nôtre, c'est-à-dire, créer un influx de capitaux dans les régions nordiques.

M. Hunt: Je crois que, lors de nos entretiens officiels avec eux, nous les avons influencés même si cela ne se réflète dans leur règlement. Comme le docteur Woodward l'a mentionné, leur seul véritable moyen de disposition c'est la concession et il y a 2,200 acres sous concession. Ils n'ont pas de permis dans cette région.

J'aimerais évaluer leur méthode d'approche. Disons d'abord que la plupart des terrains sont administrés par le Bureau fédéral des terres du gouvernement américain, qui s'occupe de régions dans la Louisiane, au Texas, en Californie, par tout le pays. Ils ont

[*Text*]

na, Texas, California, all over, and they have applied the same terms, the same approach, nationally and they have not attempted to use their oil or their natural resource potential in Alaska as a means of developing the region as

• 1105

such. I think they have said that it is there if you want to go after it; we have an extensive oil industry throughout the country and it is up to you which part of the country you carry out your exploration. They have not provided any positive incentives in the north slope so far as I know.

Mr. Dinsdale: Has there been more exploration activity or even more leasing activity in the Alaska area than there has been in the Canadian Arctic and the high Arctic. Also, do you know what the difference would be in capital investment between these two regions. In other words, was Prudhoe a lucky strike or was it the result of more intensive exploration?

Mr. Hunt: Yes, it was the result of more intensive drilling. There has been a great deal more drilling on the north slope of Alaska in the petroleum reserve to the west and outside it than in our Delta area, for instance. I was informed—I could not vouch for this, of course—that just prior to that the companies which made the Prudhoe strike—and this is common in the industry—were becoming somewhat discouraged with the expenditures they had made. I do not have the figures available, but we could obtain them. They were wondering whether they should indeed continue their exploration program. However, several dozen wells or so have been drilled in the region of the north slope of Alaska. So far as we are concerned, one well was drilled in the Mackenzie Delta a couple of years ago, two are drilling now and there are three wells in the Arctic Islands. So, there has really essentially been no drilling whatsoever in Canada's far north, and I think it is fair to say that the level of exploration activity prior to Prudhoe Bay was significantly lower in Canada than it was in Northern Alaska.

Mr. Dinsdale: Is there any attempt in the American regulations to discourage foreign investment and to encourage American investment?

Mr. Hunt: Yes. There are requirements in the federal leasing that the applicant for a federal lease must be a U.S. citizen, and although I would have to double check this I believe that where a corporation is involved it must be a U.S. corporation and it must

[*Interpretation*]

appliqué les mêmes conditions et la même méthode d'approche au palier national et ils n'ont pas tenté de se servir du potentiel en pétrole et en ressources naturelles de l'Alaska en vue de mettre en valeur cette région. Ils savent que le potentiel existe mais comme ils ont une industrie pétrolière extensive par tout leur pays, ils laissent chacun libre de choisir sa région d'exploration et n'ont pas encore offert de stimulant dans le Grand Nord.

M. Dinsdale: Est-ce qu'il y a eu plus de travaux d'exploration ou a-t-on donné plus de concessions dans l'Alaska que dans les régions arctiques du Canada? Savez-vous quelle est la différence entre les capitaux investis dans chacune de ces deux régions? Autrement dit, est-ce que la découverte de la Baie Prudhoe est tout simplement une chance ou est-ce le résultat de l'exploration?

M. Hunt: Elle est le résultat de forages intensifs dans cette région. Il y a eu une exploration beaucoup plus intensive sur la côte nord de l'Alaska dans la réserve de pétrole à l'ouest et juste à l'extérieur de celle-ci, que dans notre région du delta par exemple. On m'a dit—je n'ai pu le corroborer—que les sociétés qui ont découvert le champs à la Baie Prudhoe étaient sur le point de se décourager parce qu'elles ont beaucoup dépensé dans cette région. Je n'ai pas les chiffres en main mais je pourrais les obtenir. Elles se demandaient si elles devraient poursuivre leurs travaux d'exploration. Il y a des douzaines de puits qui ont été forés dans cette région, sur la côte nord de l'Alaska. Un seul puits a été foré il y a deux ans dans le Delta du Mackenzie. Deux autres sont en forage actuellement dans cette région et trois autres dans les Îles de l'Arctique. Il n'y a vraiment pas eu de forage dans le Grand Nord du Canada et il est juste de dire que notre activité dans le Grand Nord était beaucoup moins importante qu'en Alaska avant la découverte de Prudhoe Bay.

M. Dinsdale: A-t-on tenté dans le règlement américain, de restreindre les investissements étrangers et d'encourager les investissements américains?

M. Hunt: Oui. Il y a des exigences dans les concessions fédérales, selon lesquelles le requérant doit être citoyen américain. Je devrai le vérifier mais je crois, dans le cas d'une société, qu'elle doit être une société américaine et doit démontrer que la majorité

[*Texte*]

indeed be demonstrated that the majority of the directors of that corporation, I believe, are U.S. citizens. I am not 100 per cent sure on that last point.

The Chairman: I have a supplementary. How does this compare with our..

Mr. Dinsdale: That was going to be my next question, although I was going to put it in slightly different terms. Our Canadian regulations are much more generous with respect to foreign capital.

Mr. Hunt: To some extent, yes. First of all, they do not apply during the permit stage. As I mentioned, they do not have that stage in Alaska, which is what we are talking about. In the lease stage, which is the comparable stage, if it is an individual the holder of a lease must be a Canadian citizen, so it is exactly the same there. If it is a corporation it must be a Canadian corporation, so it is exactly the same there as well. However, I think it might be fair to say that the requirements regarding the control of the corporation are not quite the same. If it is a private corporation it must be held by Canadian citizens to the extent of at least 51 per cent. If it is a public corporation the only requirement is that it be listed on a Canadian stock exchange. One further technical difference is where a wholly-owned subsidiary is involved it must also be a Canadian corporation, but if its parent is listed on the Canadian stock exchange this allows qualification.

Mr. Dinsdale: Could the witness say, Mr.

• 1110

Chairman, if there is any feeling that the Canadian regulations have been a deterrent to American or other foreign investment in mineral exploration and development, and particularly with respect to the current interest in involving French capital in the high Arctic.

Mr. Hunt: It is always very difficult, Mr. Chairman, to demonstrate a negative. In other words, there may have been some companies particularly, I think, rather than individuals in this case that have been discourages from entering the Northern oil play because they felt they could not comply with what I might call the Canadian participation requirements. Of course, no one is going to really come forward and tell us this. That may have been one minor factor in some cases out of many. The economic assessment up until today may have been far more important than any Canadian participation requirement.

[*Interprétation*]

de ses directeurs sont des citoyens américains. Mais, je n'en suis pas sûr.

Le président: J'ai une question supplémentaire. Comment se compare ce règlement avec notre...

M. Dinsdale: J'étais pour le demander de façon différente. Le règlement canadien est-il beaucoup plus généreux par rapport aux investissements étrangers?

M. Hunt: Dans une certaine mesure, oui. Premièrement, il ne s'applique pas au stade du permis, qui n'existe pas en Alaska. Au stade de la concession, qui est le stade comparable, si le requérant est un particulier, il doit être un citoyen canadien, ce qui est la même chose qu'aux États-Unis. Dans le cas d'une société, ce doit être une société canadienne; c'est encore la même chose. Il est juste de dire que les exigences concernant le contrôle de la société ne sont pas tout à fait les mêmes. Dans le cas d'une société privée, elle doit appartenir à des Canadiens dans une proportion d'au moins 51 p. 100. Dans le cas d'une société publique, la seule exigence est qu'elle figure à la Bourse. Une autre différence d'ordre technique veut que s'il y a une filiale, elle soit aussi canadienne. Mais si la maison mère figure à la Bourse, les conditions sont remplies.

M. Dinsdale: L'un des témoins me dira-t-il, monsieur le président, si l'on croit que le règlement canadien a découragé les investissements américains et étrangers dans l'exploration et la mise en valeur minières et surtout l'intérêt actuel des investisseurs français dans les îles de l'Arctique?

M. Hunt: Il est toujours très difficile, monsieur le président, de mettre en évidence quelque chose de négatif. Autrement dit, il y a peut-être certaines sociétés, je pense, plutôt que des particuliers qu'on a découragées à entrer dans le marché pétrolifère du Grand-Nord parce qu'ils croyaient qu'ils ne pourraient pas se conformer à ce qu'on pourrait appeler les conditions canadiennes de la participation. Bien sûr, personne ne viendra nous le dire, cela a pu être un élément d'importance secondaire dans certains cas. Les facteurs économiques peuvent avoir été jusqu'à maintenant, beaucoup plus importants que les conditions de participation canadienne.

[*Text*]

From the point of view of different countries the requirements apply in different ways, and I think they are most difficult with respect to United States, which has a particular set of tax laws, I believed designed to encourage overseas investment by U.S. corporations. They are charged income tax on their world-wide operations but they are allowed to deduct from that income tax liability the tax paid in other countries and also to deduct from that liability exploration costs incurred in other countries, so as you can appreciate they might be making a very large profit, say, on operations in the United States and they can then direct that money, say, into Canada and take back that exploration tax credit to the United States. The Canadian incorporation requirements essentially make this very difficult, or prohibit it entirely. For that reason, one might suppose that if the corporations of any countries have been affected or discouraged it might be U.S. corporations. With respect to French corporations, I believe this is not so. I am not that familiar with the corporate tax structure in France, but I believe it is much the same as in Canada and there is not this sort of internationality of income and therefore not the same extent of possible discouragement.

Mr. Dinsdale: In the review that is taking place with respect to the Canadian regulations, is there any thought of changing the Canadian participation features?

Mr. Hunt: I really think the best way to answer that is to say that the review is still going on. The review is centred primarily, I think, on the disposal terms and I am really not in a position to answer that.

Mr. Dinsdale: We will reserve that one for a later time.

The Chairman: Mr. Simpson?

Mr. Simpson: I just have one or two questions, Mr. Chairman, because some of mine already have been brought up and answered. However, I have a question concerning royalties.

It has been pointed out that from time to time—and in other meetings this has been pointed out also—these are reviewed and new policies, of course, set. I am looking at the map in front of us and the areas acquired prior to this particular year. Do the same royalties apply generally, or is there a significant difference for the people who took out permits four or five years ago compared with those applying now for permits? Would the royalties be the same across the board or would there be a different system?

[*Interpretation*]

Pour différents pays, les exigences s'appliquent de diverses façons et je pense que l'application par les États-Unis est la plus difficile, parce qu'ils ont une législation fiscale assez singulière, qui, je crois, est conçue pour encourager les investissements outre-mer des sociétés américaines. Elles paient des impôts, pour toutes leurs exploitations, mais elles peuvent déduire l'impôt qu'elles paient à l'étranger et aussi les frais d'exploration à l'étranger. Par conséquent, des sociétés peuvent disons, réaliser de grands bénéfices aux États-Unis et, par exemple, se servir de ces profits au Canada et déduire leurs frais d'exploration dans ces autres pays. Les conditions canadiennes pour les sociétés rendent cela très difficile ou l'interdisent tout à fait.

Pour cette raison, on pourrait supposer que les sociétés des pays, qui auraient été découragées seraient les sociétés américaines. Pour ce qui est des sociétés françaises, je ne crois pas que ce soit ainsi. Je ne connais pas trop l'armature fiscale de la France, mais je crois qu'elle est la même qu'au Canada. Il n'y a pas ce genre d'universalité du revenu et par conséquent pas la même possibilité de découragement.

M. Dinsdale: Pour ce qui est de l'étude qui a trait aux règlements canadiens, est-ce qu'il est question de modifier les caractères de la participation canadienne?

M. Hunt: Je pense que la meilleure réponse, c'est de dire que la révision se poursuit. Elle est concentrée en fait sur les conditions de cession, mais pour le moment je ne suis pas en mesure de me prononcer.

M. Dinsdale: Je pense qu'il faudrait réserver cela à plus tard.

Le président: Monsieur Simpson.

M. Simpson: J'ai seulement une ou deux questions monsieur le président, parce que d'autres ont déjà été soulevées et ont reçu une réponse. Mais toutefois, j'ai une question à poser au sujet des redevances.

On a signalé de temps à autre et à d'autres comités que les redevances font l'objet d'une révision et de nouvelles lignes de conduite sont naturellement instaurées. Je regarde la carte que nous avons sous les yeux, et les régions que nous avons acquises avant cette année. Je voudrais savoir si les redevances s'appliquent toujours ou s'il y a une différence importante entre les gens qui ont pris des permis il y a quatre ou cinq ans et ceux qui font maintenant une demande. Est-ce que les redevances seraient les mêmes dans toutes

[*Texte*]

Mr. Hunt: The basic royalty would be the same. There would be no difference.

• 1115

Mr. Simpson: I suppose there is no policy whatever in relation to the eventual discovery of oil and what any company may decide to do with it. Could they, for instance, just cap a well and that would be it, and still retain their lease for a long period of years?

Mr. Hunt: There are two aspects to this. If a company made a discovery and either had its lease already or went to lease—this would not matter too much—the Minister may direct the company to continue drilling new wells until he is satisfied the company has delineated the field.

In other words, the Minister may press the company to make a large investment in development and there would then of course be a very heavy economic pressure on the company to obtain a return on that investment. Therefore, I think from a practical point of view it is unlikely that a company could sit on oil if it were discovered if, shall we say, the government or the Minister felt they were doing this.

Now there will, of course, be cases I am sure such as we have in the northern Yukon now, where there are discoveries of a little oil and some gas, but they are so small that there is not enough reserve to warrant building a pipe line to the distant market. In this case I think everyone really will agree that the company has no alternative but to sit, and this was part of the reason for the long lease that is in the regulations at the moment; it was recognized that the time between discovery and market might be lengthy.

In addition, while the company could sit on its shut-in well, if you like—or shut-in field if it were forced to develop a field—for 21 years or for whatever part of that 21-year lease yet remained, the lease is only renewable, shall I say, automatically if the company is in production. Therefore, if it ran itself down to the 21 years and still had not gone into production the Minister could decline to renew the lease. There are those two aspects.

Mr. Simpson: That is the question I wanted to get at. I was going to follow it up by

[*Interprétation*]

les circonstances ou est-ce qu'il y aurait un système différent?

M. Hunt: Les redevances de base seraient les mêmes. Il n'y aurait pas de différence.

M. Simpson: Je suppose qu'il n'y a pas de politique relative à la découverte éventuelle de pétrole et concernant ce qu'une compagnie aurait l'intention de faire après une découverte. Par exemple, pourraient-elles recouvrir un puits et conserver leur concession pendant un grand nombre d'années?

M. Hunt: Il y a deux aspects à cette question. Une compagnie fait une découverte et avait déjà une concession ou n'avait pas de concession, cela n'a pas tellement d'importance, mais à ce moment-là, le ministre peut ordonner à la compagnie de continuer à creuser d'autres puits jusqu'à ce qu'il soit certain que le terrain ait été tracé.

En d'autres termes, le ministre peut insister pour que la compagnie fasse un gros investissement pour l'exploitation, et à ce moment-là, évidemment, il y aurait une pression économique très lourde pour la compagnie pour jouir d'une ristourne sur cet investissement. Par conséquent, je crois, d'un point de vue pratique, qu'il est peu probable qu'une compagnie n'explore pas ce puits s'il l'a découvert, si, pourrions-nous dire, le gouvernement ou le ministre avait l'impression qu'ils agissent ainsi.

Il y aura des cas, comme dans le moment au nord du Yukon, où on découvre un peu de pétrole et un peu de gaz, mais en des quantités tellement petites que cela ne justifie pas la construction d'un pipe-line jusqu'au marché éloigné. Je pense qu'alors tout le monde reconnaîtra avec moi que la compagnie n'a pas le choix, et que c'est une des raisons qui explique une concession pour une si longue période de temps qui figure aux règlements pour l'instant; on a reconnu que le temps qui sépare la découverte du marché peut être long.

De plus, pendant que la compagnie pourrait rester sur son puits pétrolifère ou, si vous aimez, sur le terrain qu'il est forcé d'exploiter, pendant 21 ans ou pendant l'écart de temps qui reste sur ses 21 ans, la concession est renouvelable presque automatiquement, si la compagnie a une production, c'est-à-dire que si dans l'espace de 21 ans elle n'a pas encore commencé à produire, le ministre peut lui refuser de renouveler la concession. C'était les deux aspects de la question.

M. Simpson: C'est exactement ce à quoi je voulais en venir. J'allais vous demander

[*Text*]

asking what is the maximum length of these leases. I believe it was mentioned at a prior meeting, but is it actually 21 years that they can hold land under lease and then either have to apply for renewal or automatically get renewal if they are in production? Is that it?

Mr. Hunt: The lease term is for 21 years. I should mention that there is a cost of holding these leases of a dollar an acre, which may not seem very much on one lease or so, but for a company to hold several million acres under lease would not be unusual, I think, in the future in the North. This is going to be a several million dollars a year rental bill, so there will be quite a pressure on companies to get on with the job of exploring leases that are not known to be productive.

With respect to a productive lease, presumably the company would hold it for the full 21 years. Then, as I have said, if they are in production they have the option of extending it for another 21 years; any further renewals are entirely at discretion. I think the general principle has been that once a company made a discovery, and provided it did everything reasonable to market its discovery and to develop it properly, that company would be allowed to continue producing from that lease.

I think this has been the principle in Canada in mining and in oil. In other words, I do not think there has been any thought that the lease would be terminated under those conditions.

• 1120

Mr. Simpson: No, I would not assume that anybody would expect that leases should be terminated if the corporation is in production, but I did want to get information about the length of time a leaseholder could hold a known field without going into production.

Mr. Hunt: Well, I suppose the maximum would be 21 years.

Mr. Simpson: Then you mentioned from time to time "a dollar an acre". Is this an annual fee?

Mr. Hunt: Yes, payable in advance. It is not, I think, a significant amount for a producing lease, but it is very significant for leases that have yet to be explored and there will be a large number of leases with permits of

[*Interpretation*]

quelle était la durée maximum de ces concessions. Je pense qu'on l'a mentionné lors d'une réunion antérieure, mais en fait, ils peuvent jouir du terrain pendant 21 ans en vertu de la concession et ensuite, demander un renouvellement de la concession ou obtenir automatiquement ce renouvellement s'il y a production. Est-ce exact?

M. Hunt: La durée de la concession est de 21 ans. Je signale en même temps que pour conserver cette concession, il faut payer $1 l'acre, ce qui peut ne pas paraître tellement pour une concession mais à l'avenir, il ne sera pas rare pour une compagnie d'avoir une concession pour plusieurs millions d'acres surtout dans le Nord, cela représente plusieurs millions de dollars par année simplement pour les frais de location, de sorte qu'il y aura beaucoup de pressions exercées sur les compagnies pour qu'elles commencent à faire de l'exploration, qui n'est pas reconnue pour être productive.

Quant aux concessions en exploitation, la compagnie pourrait, semble-t-il, garder la concession pendant les 21 années. Ensuite, comme je l'ai déjà dit, si elles produisent, elles ont toujours la possibilité de prolonger la concession pour une autre période de 21 ans. Tout autre renouvellement est naturellement laissé à la discrétion de la compagnie. Le principe général est le suivant: Une fois qu'une compagnie a fait une découverte et qu'elle a essayé de la révéler et de la mettre en exploitation, cette compagnie devrait pouvoir continuer sa production en vertu de cette concession. Je crois que c'est le principe que le Canada a appliqué dans le secteur minier et pétrolifère. Autrement dit, je ne pense pas qu'on ait jamais cru que la concession prendrait fin en vertu de ces conditions.

M. Simpson: Non, je ne croirais pas qu'on puisse s'attendre à ce qu'une concession arrive à terme lorsque la compagnie produit mais je ne voulais pas avoir des renseignements sur la période de temps pendant laquelle le détenteur d'une concession peut jouir d'un terrain connu sans commencer à produire.

M. Hunt: Je crois que ce serait 21 ans.

M. Simpson: Vous avez mentionné de temps en temps «$1 l'acre,» Est-ce un taux annuel?

M. Hunt: Oui, payable à l'avance. Ce n'est pas un montant important, je pense, pour une concession en exploitation mais c'est très important pour les concessions dans le cas des territoires qui restent à explorer et j'imagine

[*Texte*]

even 9 or 10 years duration because of the shorter exploration season in the North and the great difficulty of exploring. Time goes by very fast, and now, from the first big upsurge of permanent acquisition in the early 1960's we are finding that companies are converting their permits to lease, but to what I would term exploration lease because they certainly in most cases have not found anything on them.

Mr. Simpson: Mention has been made of the experiment that is going to be attempted with the *SS Manhattan*. Can you say what the actual planned course of this manœuvre is? Where are they going to launch from and where are they going to arrive at, eventually?

Mr. Hunt: The *SS Manhattan* is an oil tanker owned by Humble Oil and Refining Company, an affiliate or I believe a subsidiary of Standard Oil Company of New Jersey, and of course therefore connected with Imperial Oil Company Inc. It is going to originate on the eastern seaboard of the United States. It is now in dry dock, I believe, being refitted. It is having a type of ice-breaking prow fitted to it, and of course it is being strengthened to withstand the external pressure that it might encounter from passing through the ice.

It was hoped, I believe, that this tanker would head for Davis Strait in May. I believe that the refit has taken longer than expected and it may not be until June or July that it reaches Arctic waters.

The project aims at making a passage through Melville Sound, Lancaster Sound, and probably down M'Clure Strait—it will depend—around Banks Island one way or the other, the north or the east coast of Banks Island, and then heading for Prudhoe Bay. Accompanying the *SS Manhattan*, it is planned as we understand it that there will be a U.S. icebreaker. And arrangements also have been made for a Canadian icebreaker to accompany the ship.

Arrangements have also been made, as far as I am aware, for ice reconnaissance, both by Canadian and U.S. organizations. And certainly there will be many representatives from the Canadian Government and Canadian industry along on the Canadian icebreaker to observe the trail.

Mr. St-Pierre: A supplementary question, Mr. Chairman. Can any of these witnesses tell us if Panarctic will be taking part in this experiment, officially?

[*Interprétation*]

qu'il va y avoir un grand nombre de beaucoup dans cette concessions avec des permis de 9 ou 10 années, à cause des saisons d'exploration qui sont plus courtes dans le Nord et des grandes difficultés d'exploitation. Le temps passe très vite, et nous voyons déjà qu'après la première poussée d'acquisitions de permis dans les années soixante, les sociétés convertissent leurs permis en concessions, mais pour ce qui est des concessions d'exploration à terme, en général, je dois dire qu'on n'a fait aucune découverte importante.

M. Simpson: On a mentionné l'expérience qu'on va tenté avec le *S.S.Manhattan*. Pouvez-vous nous dire en quoi consistera exactement cette opération? Pouvez-vous nous dire exactement quel est le point de départ et quelle est l'objectif?

M. Hunt: Le *S.S. Manhattan* est un bateau-citerne de la *Humble Oil and Refining Company*, qui est une filiale de *Standard Oil Company of New Jersey*, et par conséquent, jouir d'une certaine relation avec *Imperial Oil, Company Ltd.* L'opération sera lancée à partir du littoral est des États-Unis. Je crois comprendre qu'on est en train d'effectuer certains aménagements au navire en cale sèche. C'est-à-dire qu'on lui prépare une proue de brice-glace et qu'on le renforce pour soutenir les pressions de la glace.

Je crois que ce bateau-citerne devrait se diriger vers le Détroit de Davis au mois de mai. Je pense que les travaux de remise en état ont été plus longs qu'on avait pensé, et je pense qu'il n'atteindra l'Arctique que vers le mois de juin ou de juillet.

Les prévisions sont de se frayer un passage par Melville Sound, Lancaster Sound, et probable par le détroit de McClure, tout dépendra, en contournant l'Ile Banks, d'un côté ou de l'autre, et ensuite se diriger vers la Baie Prudhoe. Si nous avons bien compris, le *S S. Manhattan* sera accompagné d'un brise-glace américain. Et on a pris également certaines dispositions pour qu'un brise-glace canadien accompagne le navire.

On prévoit aussi des services de reconnaissance de l'état des glaces offerts par des organisations canadiennes et américaines. Et il y aura certainement aussi plusieurs représentants de l'État et de l'industrie canadienne sur le brise-glace canadien pour observer les travaux.

M. St-Pierre: Les témoins peuvent-ils nous dire si Parnarctic va participer officiellement à l'opération?

[*Text*]

Mr. Hunt: Panarctic would have the opportunity of taking part in this experiment as, I understand it, any other oil company has from the payment of a participating fee or contribution. The experiment is a $20 million to $30 million experiment, in that a $20 million ship is being committed to it. Of course, if the ship comes back out of it, I do not think it is going to cost that much, but if the ship is lost it would work out to that much.

Several alternative schemes for participation have been discussed. The latest one of which we are aware, and which I believe is the one now available to any oil company, is a payment of an initial fee of $500,000, in return for which all technical details would be provided and I presume there would be an opportunity for full observation.

• 1125

In addition, if a participating company uses the information to design its own tankers, it would pay a further royalty fee or whatever it is of $2 million. Those are the terms that I understand now, and I believe that is open to Panarctic or any other oil company.

Mr. St-Pierre: May I ask a second supplementary question, Mr. Chairman?

Mr. Simpson: Yes, go ahead.

Mr. St-Pierre: As a result, if no Canadian companies took part in this, we could see the situation this summer of an American vessel doing scientific research in Canadian waters and obtaining information which would be lost to us and retained by them.

Mr. Hunt: I would not paint it quite like that, because the very extensive participation of the Canadian coast guard and the direct exchange the Canadian coast guard has had with Humble Oil. It is my understanding—and of course Admiral A. H. Storrs of the coast guard could fill you in better—that there will indeed be a fair return of information to Canada because of this.

However, I also understand that perhaps this would not involve all the technical details, but perhaps I should not speak for Admiral Storrs. He could fill in the situation a lot better.

Mr. St. Pierre: Thank you, Mr. Chairman.

Mr. Simpson: You mentioned that they would endeavour to continue on to Prudhoe Bay. From there would they be returning to the east coast or would they be going through the Bering Strait?

[*Interpretation*]

M. Hunt: Panarctic aura l'occasion de participer à cette opération tout comme les autres sociétés de pétrole, moyennant le paiement d'une cotisation de participation ou d'une contribution. L'expérience coûtera de $20 à $30 millions, étant donné qu'on y utilise un vaisseau de $20 millions. Évidemment, si le vaisseau revient, cela ne coûtera pas aussi cher, mais si on le perd, le coût sera de cet ordre.

Différentes solutions possibles ont été proposées quant à la participation. Et je pense que celle qu'on retient dans le moment, et qui est offerte à toute les sociétés de pétrole, c'est de verser un droit initial de $500,000, en retour de quoi on communiquera tous les détails d'ordre technique et, j'imagine qu'on permettra une observation complète.

De plus, si les sociétés participantes se servent des renseignements acquis pour convevoir leurs propres bateaux-citernes, elles devront payer encore d'autre redevances de $2 millions. Ce sont les conditions offertes à l'heure actuelle, et je pense que cette option est offerte à Panarctic comme à toutes les autres sociétés.

M. St. Pierre: Puis-je poser une deuxième supplémentaire, monsieur le président?

M. Simpson: Oui.

M. St Pierre: Donc, si aucune société canadienne ne participe à cette opération, ce qui peut arriver, cet été, c'est qu'un vaisseau américain fera des recherches scientifiques dans les eaux canadiennes et obtiendra des renseignements qui seraient perdus pour le Canada et conservés par ces explorateurs.

M. Hunt: Je pense que je ne peindrais pas un tableau aussi sombre, à cause de la participation très extensive de la garde côtière canadienne et les échanges directs entre la garde côtière et Humble Oil. Je crois comprendre, et l'amiral A. H. Stork pourra vous renseigner mieux que moi, que d'assez bons renseignements seront fournis au Canada à la suite de cette exploration.

Je crois comprendre aussi qu'on ne donnera pas tous les détails d'ordre technique, mais l'amiral Stork pourra certainement vous renseigner mieux que moi.

M. St-Pierre: Merci, monsieur le président.

M. Simpson: Vous avez dit qu'ils essaieraient de se rendre jusqu'à Prudhoe Bay. A partir de là, est-ce qu'ils reviendraient par la côte est ou est-ce qu'ils passeraient par le Détroit de Béring?

[*Texte*]

Mr. Hunt: Generally the Bering Strait is considered to be too shallow for some of these super-tankers, and the attempt as I understand it, assuming they arrive in one piece, would be to turn around and either this fall or next summer, depending upon ice conditions and the performance, return again through the North West Passage. The objective is clearly to develop a North West Passage that can be used if not all the year, at least most of the year in order to move Prudhoe Bay oil to the eastern seaboard of the U.S. This is what the company wants to do, as I understand it, and they have made this quite clear as their objective.

Mr. Simpson: Did I understand you to say that at the present time it looks as though this would probably not be until June or even later?

Mr. Hunt: June or July is my understanding, but I think this depends upon the speed of the refit.

Mr. Simpson: Just one final question on that particular matter. Would the Canadian participation in the form of icebreakers and such be in the convoy for the entire voyage? Are the plans firmed up enough that they know whether the Canadian participation is going to stay with the convoy for the entire journey?

Mr. Hunt: I believe so, but I am not firm on that.

The Chairman: A further supplementary. Will there be a Canadian government representative on the *SS Manhattan* itself?

Mr. Hunt: I have no information on that at the moment. I believe that this whole aspect is now under consideration, and I would expect some plans will be laid either in favour of or against in the near future.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I would like to go back to the question of the incentive royalties, because I would like to thoroughly understand that area. Many of us appear to be concerned, as certainly I am, that the public interest is fully observed, in the light of these very generous exploration incentives. It would seem to me that the fixed royalty is one of the areas where the public interest would have to be studied since the oil in the North may turn out to be the cheapest oil produced. That may seem strange, but if the Prudhoe Bay find is indeed 10 billion barrels, and very rich oil, then that may be the cheap-

[*Interprétation*]

M. Hunt: Le Détroit de Béring est considéré comme trop haut de fonds pour ces super-bateaux-citernes. Je crois, que s'ils se rendent tout d'une pièce, ils prévoient faire demi-tour, et soit cet automne ou l'été prochain, suivant les conditions de la glace et le comportement du vaisseau, revenir par le passage du Nord-Ouest. L'objectif est de tracer un passage dans l'Arctique qui soit praticable pendant la majorité de l'année afin de pouvoir transporter le pétrole de la Baie Prudhoe jusqu'à la côte est des États-Unis. C'est ce que la société veut réaliser, et je crois comprendre que c'est l'objectif qui nous a été exposé.

M. Simpson: Vous dites que selon la conjecture actuelle ce ne sera pas avant le mois de juin, au plus tard?

M. Hunt: Oui, si j'ai bien compris, en juin ou en juillet, mais cela dépend naturellement du radoub.

M. Simpson: Encore une question. Est-ce que les brise-glaces canadiens ou autres navires vont accompagner le *S.S. Manhattan* pendant toute la durée du voyage? Est-ce que la participation canadienne est suffisamment certaine pour savoir si elle accompagnera les explorateurs pendant tout le trajet?

M. Hunt: Je crois que oui, mais je n'en suis pas certain.

Le président: Une autre question supplémentaire. Est-ce qu'il y aura un représentant canadien de l'État sur le *S.S. Manhattan*?

M. Hunt: Je n'ai aucun renseignement là-dessus pour l'instant. Je crois comprendre cependant qu'on est en train d'étudier toute cette question, et j'imagine qu'on décidera pour ou contre d'ici peu.

Le président: Monsieur O'Connell.

M. O'Connell: Monsieur le président, j'aimerais revenir à la question des redevances d'encouragement, si vous me permettez, parce que je ne comprends pas très bien. Beaucoup d'entre nous sont inquiets, du moins je le suis, de ce qu'on respecte complètement l'intérêt public, à la lumière de ces simulants très généreux à l'exploration. Je pense que les redevances fixes sont un des domaines où il faudrait tenir compte de l'intérêt public car le pétrole du Nord peut fort bien devenir le pétrole le plus économique qui soit. Cela peut paraître étrange, mais si le gisement de la Baie Prudhoe représente effectivement 10

[*Text*]

• 1130

est oil per acre and per production costs that we have on the continent.

I would like to go back over that royalty picture again in its relationship to Crown reserves, if you would not mind. Also, could you give more detail as to what the sliding scale looks like and what it amounts to?

Mr. Hunt: Perhaps I should first of all simply let you know what the sliding scale amounts to. It varies for oil and gas. I have already emphasized that this is subject to review and can be very easily changed. On the map you have before you the 60th and 70th parallels are marked. Norman Wells is at about the 65th parallel. Between parallels 60 and 62 which, of course, is almost half way to Norman Wells, the sliding scale for oil at the moment is from 5 to 40 per cent gross royalty. The gross royalty would apply to wells producing something in excess of 2,000 barrels a day; in other words, we start from zero to about 100 barrels a day at 5 per cent additional gross royalty, and so we go on up.

As I explained, this was worked out on the basis of the relationship between the investment needed to produce the field and your return on that investment; and, generally, the investment required to produce a barrel of oil, if you are producing at low rates, is much higher than the investment, as you have said, at Prudhoe Bay, where you may have very high production rates per well and your investment per productive barrel is so much lower that you can afford a much higher royalty.

The next region, parallels 62 to 65, for oil is starting at 5 per cent additional royalty and increasing to 30 per cent gross.

The next region, parallels 65 to 68—again almost half way between Norman Wells and the 70th parallel—is 5 to 20 per cent; and in parallels 68 to 70 it is between 5 and 10 per cent.

In the area north of the 70th parallel it has increased again 5 to 20 per cent. That is all the Arctic islands lying off-shore.

If I may comment on that, the thinking at the time was that mainland oil would have to travel south by pipeline either to seaboard, say through the Yukon, or to continental markets, and we therefore had to recognize the decreasing net-back at the well-head because of transportation costs. The some-

[*Interpretation*]

millions de barils de pétrole d'une très haute qualité, c'est peut-être le pétrole le plus économique par acre et par coût de production que nous ayons en Amérique du Nord.

Et je voudrais revenir à ces questions des redevances par rapport aux terres de la Couronne, si vous me le permettez. Est-ce que vous pourriez nous expliquer davantage le mécanisme de l'échelle mobile.

M. Hunt: Je devrais peut-être en tout premier, vous faire connaître simplement à quoi équivaut l'échelle mobile. Elle varie pour l'huile et le pétrole. J'ai déjà insisté sur le fait que les chiffres peuvent être révisés et modifiés très facilement. Sur la carte que vous avez sous les yeux, le 60e et le 70e parallèles sont indiqués. Norman Wells est environ au 65e parallèle. Entre le 60e et le 62e parallèle, qui, naturellement, est à mi-chemin jusqu'à Norman Wells, l'échelle mobile pour le pétrole en ce moment est de 5 à 40 p. 100 de redevances brutes. Les redevances brutes s'appliqueraient pour des puits produisant environ un peu plus de 2,000 barils par jour, ce qui fait qu'on va de 0 à environ 100 barils par jour à 5 p. 100 de redevances brutes additionnelles, et nous continuons à monter ainsi. Comme je vous l'ai expliqué, on a calculé ces chiffres en se fondant sur les relations évidemment entre les investissements requis pour produire une nappe pétrolière et le revenu dû à l'intérêt de l'investissement; et en général, l'investissement requis pour produire un baril de pétrole, si vous produisez à des taux très bas, est beaucoup plus élevé que l'investissement, avez-vous dit, à Prudhoe Bay, où vous pouvez avoir des taux de production très élevés par puits et où l'investisement par baril reproductif est tellement plus bas que vous pouvez vous permettre une redevance beaucoup plus élevée.

La région pétrolière suivante, comprise entre le 62e et le 65e parallèle, débute à 5 p. 100 en redevances additionnelles et s'élève jusqu'à 30 p. 100, en redevances brutes. La région suivante, comprise entre le 65e et le 68e parallèle, encore une fois presque à mi-chemin entre Norman Wells et le 70e parallèle, est de 5 à 20 p. 100; et entre le 68e et le 70e parallèle, c'est entre 5 et 10 p. 100. Au nord du 70e parallèle, vous avez encore une augmentation de 5 à 20 p. 100. Ce sont toutes les îles de l'Arctique au large du continent.

Maintenant, si vous me permettez de faire quelques commentaires à ce sujet, le raisonnement à cette époque était qu'il fallait envoyer le pétrole de l'intérieur du continent vers le sud par oléoduc soit jusqu'au littoral, disons, en passant par le Yukon, ou jusqu'aux marchés continentaux, de sorte que nous

[*Texte*]

what higher rate in the Arctic islands was based on the fact that we felt that at least some of the eastern Arctic islands at that time would be accessible for at least part of the year by tanker, with a much lower transportation cost.

[*Interprétation*]

avons dû reconnaître une espèce de décroissance de revenu net à la tête de puits à cause du coût de transport. Dans les îles de l'Arctique, le taux quelque peu plus élevé se fondait sur le fait que l'Est de la région serait accessible pendant au moins une partie de l'année aux bateaux-citernes, ce qui entraînait des coûts de transport moins élevés.

• 1135

Mr. O'Connell: I would also like to be clear, Mr. Chairman, about to what the additional royalties apply. In relation to the 10 per cent fixed royalty, could you just differentiate again, please?

M. O'Connell: Je voudrais savoir, monsieur le président, exactement à quoi s'appliquent les redevances additionnelles. Pour ce qui est des redevances fixes de 10 p. 100, pourriez-vous faire la différence encore une fois, s'il vous plaît?

Mr. Hunt: The 10 per cent fixed royalty applies to the gross value of the oil at the well-head; in other words, the well-head price. The additional royalty applies in the same way, but it is over and above the fixed royalty.

M. Hunt: La redevance fixe de 10 p. 100 s'applique évidemment à la valeur brute du pétrole, au puits même, c'est-à-dire le prix sur place. La redevance additionnelle s'applique de la même façon, mais elle est au-delà de la redevance fixe.

Mr. O'Connell: I mean in acreage. To what acreages do the two apply?

M. O'Connell: Je veux dire en superficie. A quelles superficies les deux redevances s'appliquent-elles?

Mr. Hunt: The two of them?

M. Hunt: Les deux?

Mr. O'Connell: Yes.

M. O'Connell: Oui.

Mr. Hunt: We have this little diagram here, if you can see it. The fixed basic royalty applies both to the initial leases, if you like, and to the Crown reserve. The additional royalty applies to the Crown reserve only.

M. Hunt: Nous avons un petit graphique ici, si vous pouvez le voir. La redevance fixe fondamentale s'applique aux baux initiaux, si vous voulez, et aussi aux terrains de la Couronne. Les redevances additionnelles s'appliquent seulement aux terrains de la Couronne.

Mr. O'Connell: I see; so that if a developer chooses to hold land which otherwise would go back to Crown reserve he has his 10 per cent additional, depending on the zone in which he is operating?

M. O'Connell: Je vois; donc, si une compagnie d'exploitation décide d'exploiter des terres qui, autrement, reviendraient à la Couronne, elle aurait son 10 p. 100 supplémentaire suivant la zone où elle exploite?

Mr. Hunt: Yes, that is right.

M. Hunt: Oui, c'est exact.

Mr. O'Connell: And would you confirm again that the choice of the land above the 50 per cent that is allocated to the developer is strictly a choice made by the Minister?

M. O'Connell: Et confirmeriez-vous de nouveau que le choix du terrain supérieur au 50 p. 100 qui est alloué aux exploitants est fait par le ministre seulement?

Mr. Hunt: No. As long as this land order, shall we say, is in effect and expresses a policy intent—perhaps that would be the way to put it—the developer has the option to apply for these additional royalty leases within 60 days of applying for his basic lease, and he would expect, of course, that the Minister would grant such additional royalty leases.

There is no absolute obligation on the Minister to grant such lease, and the Minister is free at any time to revoke the order; but I would say that as long as it is in effect it

M. Hunt: Non. Tant que cette commande de terrain, disons, est en vigueur et exprime un énoncé de principe—peut-être serait-ce la façon de l'exprimer—l'exploitant a le choix de demander ces concessions de redevances supplémentaires dans les 60 jours de sa première demande de concession fondamentale, et il s'attendrait évidemment à ce que le ministre accorde ces concessions de redevances supplémentaires. Il n'y a pas d'obligation absolue de la part du ministre de les concéder bien sûr, et le ministre est libre de révoquer

[*Text*]

presumably expresses what the Minister intends to do.

Mr. O'Connell: It is a policy intention.

Mr. Hunt: That is right.

Mr. O'Connell: Registered in some kind of order.

Mr. Hunt: That is right. It is really public notice of policy intent.

Mr. O'Connell: That brings me to the size of these blocks which may come under the . .

The Chairman: There is a supplementary from Mr. Deakon on this question, and I also have one myself.

Mr. Deakon: Yes, Mr. Chairman, if I may interrupt.

If there is an increase in recoverable oil in the area can you foresee in the near future any increase in the price of any new concessions to these companies?

Mr. Hunt: We, of course, are reviewing the whole of the disposal policy, which means looking at the work requirements of the permits, looking at whether or not it would be opportune to introduce permit rentals now, looking at the lease terms and looking at the royalties. This could very possibly result in recommendations for a change, which presumably would be an increase rather than a decrease, and this can be done. It would not, of course, affect any holdings already granted.

Mr. Deakon: Thank you.

The Chairman: This basic 10 per cent royalty applies not only to the section of the block which is staked out by the company but also to the Crown reserve. It provides that we continue with the declared intent of the government so far, to turn over this Crown reserve or to lease it upon demand?

• 1140

Mr. Hunt: Yes.

The Chairman: On the other hand if another policy were decided upon by the government then this 10 per cent obviously would not extend to this section, would it?

Mr. Hunt: No.

The Chairman: Or does this result in problems there?

[*Interpretation*]

l'ordre en tout temps. Mais, tant qu'il est en vigueur, c'est une déclaration d'intention de la part du ministre.

M. O'Connell: C'est une déclaration de principe.

M. Hunt: C'est exact.

M. O'Connell: Consacrée par quelque ordonnance.

M. Hunt: C'est cela. C'est un avis public de déclaration d'intention.

M. O'Connell: Alors, passons donc à la superficie de ces parties qui peuvent être sous. . .

Le président: Il y a une question supplémentaire de la part de M. Deakon à cet égard, et de ma part aussi.

M. Deakon: Oui, monsieur le président, si je puis vous interrompre. S'il y a une augmentation de l'huile récupérable dans la région, est-ce que vous pouvez prévoir pour bientôt une augmentation de prix de toutes nouvelles concessions à ces sociétés?

M. Hunt: Naturellement, voici ce que nous faisons. On est en train de reviser toute la politique de dispositions; on tient compte des problèmes qu'imposent les permis, savoir s'il serait opportun d'introduire des locations par permis maintenant, en considérant et les conditions du bail et les redevances. Il se peut fort bien qu'il y ait des recommandations tendant à des changements qui favoriseraient évidemment une augmentation plutôt qu'une diminution des frais. Évidemment, tout changement ne toucherait pas aux permis déjà accordés.

M. Deakon: Merci.

Le président: Alors, pour ce qui est de cette redevance de base de 10 p. 100, qui s'applique d'après vous non seulement à la partie d'une tranche qui est prise par la compagnie, mais aussi à la réserve de la Couronne, est-ce qu'on va continuer avec cette politique du gouvernement, de faire des concessions sur demande de la réserve de la Couronne?

M. Hunt: Oui.

Le président: Mais si on changeait de politique, n'est-ce pas que ce 10 p. 100 ne s'appliquerait pas aux conditions changées?

M. Hunt: Non.

Le président: Est-ce que cela crée des problèmes ici?

[*Texte*]

Mr. Hunt: No, at the moment it does. Perhaps I should more or less quote the regulation. It says that the Minister may dispose of the Crown reserve on terms and conditions that he sets. And it is always assumed that the terms and conditions are in addition to the standard conditions for a standard lease. In other words, the regulations really imply that the terms will be the same in the areas where they are appropriate, such as 21 years, 5 to 10 per cent and a dollar an acre; and then the terms and conditions that the Minister may set are in addition to that. Perhaps members are looking at it from this point of view.

Once a permit is issued, the permit grants to the permitee the right to carry on exploration. It also grants to the permitee the exclusive option to select his 50 per cent leases under the terms and conditions already set out, but it does not guarantee him that the Crown reserve will be made available under any particular terms. So the basic royalty on the Crown reserve or on 50 per cent of all the lands already issued could be adjusted.

Mr. O'Connell: I would like to pursue that one step further, Mr. Chairman. If indeed the Crown reserve did not go to the developer or the permitee who is going to lease, and was put up for auction, would the royalty applicable to it be 10 per cent maximum?

Mr. Hunt: In accordance with the regulations now, yes. But the regulations could be changed.

Mr. O'Connell: If they are not changed, there is a very strong tendency, a very strong pressure on the Minister to allocate to the permitee, since the royalty would be higher by so doing. So when you say there is no absolute need that he do so, the economics and the finances of the situation are such that he almost invariably will do so if he is maximizing the public revenues.

The Chairman: I do not quite follow you, Mr. O'Connell.

Mr. O'Connell: All right, if he does not accept the application of the permitee for the Crown reserve portion, then presumably it is available for auction. But if it is sold on lease, the maximum royalty that may obtain upon it is 10 per cent, as opposed to what he might have had, 40 per cent.

Mr. Hunt: Oh yes, certainly, but of course the cash paid at the auction supposedly should

[*Interprétation*]

M. Hunt: Je vais vous citer le règlement. Le ministre a le droit de disposer des réserves de la Couronne dans les conditions qu'il choisit. On présume que ces modalités sont en plus des modalités standards de la concession normale. Les modalités, ici, dans cette tranche, seront les mêmes; d'autre part, viennent s'ajouter à cela, les conditions établies par le ministre. Peut-être que les députés considèrent cela sous cet aspect-ci. Une fois que le permis est émis, il confère à son détenteur le droit d'entreprendre l'exploration. Il lui confère aussi la faculté exclusive de choisir les 50 p. 100 de ses concessions en vertu des conditions déjà établies, mais il ne lui garantit pas que les terrains de la Couronne lui seront disponibles quelles que soient les conditions. Ainsi, les redevances de base pour les terrains de la Couronne ou pour les 50 p. 100 de toutes les terres déjà distribuées pourraient être ajustées.

M. O'Connell: Je voudrais poursuivre cette question, si je peux, monsieur le président. Si, vraiment, la réserve de la Couronne n'allait pas au concessionnaire ou au détenteur de permis qui compte affermer une concession, et si elle était mise aux enchères, les redevances applicables seraient-elles de 10 p. 100 au maximum?

M. Hunt: D'après les règlements actuels, oui. Évidemment, ces règlements pourraient être changés.

M. O'Connell: Mais s'ils ne sont pas changés, il est fort possible que le Ministre soit l'objet de fortes pressions pour les allouer aux concessionnaires, puisque la redevance serait ainsi plus élevée. Par conséquent, lorsque vous dites que ce n'est vraiment pas nécessaire de le faire, les fatceurs économiques et financiers de la situation doivent être tels qu'il sera presque invariablement forcé de le faire, s'il veut porter au maximum les revenus publics.

Le président: Je ne vous comprends pas très bien, monsieur O'Connell.

M. O'Connell: Alors, je vous dis que s'il n'accepte pas la demande du concessionnaire en vue d'obtenir la portion des terrains de la Couronne, on peut supposer que ces terrains seront mis aux enchères. Mais si c'est vendu en concession il y a un maximum de 10 p. 100, contre la possibilité d'avoir 40 p. 100.

M. Hunt: Oui certainement, mais les montants reçus lors des enchères devraient cen-

[*Text*]

make up for what the Crown would have received by way of additional royalty.

Mr. O'Connell: It may and it may not.

Mr. Hunt: Oh yes. This is a very difficult thing to work out.

Mr. O'Connell: What I am really getting at is, I am pleased to see that the sliding scale royalty is available as a matter of public policy to vary it, and incidentally if one said for example the additional royalty—let us say it comes to 20 per cent—on that portion of the lease there is a total of 30 per cent.

Mr. Hunt: That is right.

Mr. O'Connell: Is that variable in the future or has it been fixed for the term of the lease?

Mr. Hunt: It would be fixed for the term of the lease.

Mr. O'Connell: Is it fixed in the same sense as the 10 per cent is fixed?

Mr. Hunt: Once the Crown actually enters into a lease for a specific portion of land, on that specific portion of land there is then really a contractual relationship between the Crown and the company. And the additional royalty, yes, would be fixed for the term of the lease. I think I see what you are getting at, sir. It would be possible to build into the lease, into the additional royalty lease, provision for review of the additional royalty. Yes, this could be done. I am sorry. I was behind you there in thinking.

• 1145

Mr. O'Connell: I think that is what I was getting at.

Mr. Hunt: It is not at the moment, but it could be done.

Mr. O'Connell: But that provision cannot be built into the basic royalty.

Mr. Hunt: No, this is correct. I think one can always look at these things in hindsight, and I think if one looks back now one might say that if one had it to do over again, one might not have tied the royalty to the basic lease for such a long period. But I think it must be remembered too, that there was a desire to achieve other objectives, the development of the North, effective occupation, and so on, and this was a tool to achieve this objective.

[*Interpretation*]

sément compenser ce que la Couronne aurait reçu sous forme de redevance supplémentaire.

M. O'Connell: Ça se peut, mas ce n'est pas nécessairement le cas.

M. Hunt: Oui, évidemment. C'est très difficile à réaliser.

M. O'Connell: Ce à quoi je veux en venir c'est que je suis heureux de constater que cette redevance variable est disponible en tant que principe public pour apporter des variations, et incidemment si on ajoutait les redevances supplémentaires, disons de 20 p. 100, à cette partie de la concession, il y aurait un total de 30 p. 100.

M. Hunt: C'est exact.

M. O'Connell: Ces redevances sont-elles variables ou sont-elles fixes pour la durée de la concession?

M. Hunt: Elles seraient fixes jusqu'à l'expiration de la concession.

M. O'Connell: Est-ce qu'elles sont fixes dans le même sens que le 10 p. 100?

M. Hunt: Dès que la Couronne accorde une concession pour une certaine étendue de terre, il y a véritablement un rapport contractuel entre la Couronne et la compagnie. Et toute la redevance additionnelle serait fixée pour la durée de la concession. Je vois ce que vous voulez dire. Il serait possible de prévoir dans la concession supplémentaire, des dispositions pour reviser les redevances supplémentaires. Oui, cela pourrait se faire. Je m'excuse je n'avais pas compris au début.

M. O'Connell: C'est ce que je voulais dire.

M. Hunt: Pour l'instant, ce n'est pas le cas, mais ça pourrait être le cas dans l'avenir.

M. O'Connell: Pour l'instant, on ne peut pas insérer une telle condition dans les modalités de base.

M. Hunt: Non. Ce que vous dites est juste. Si l'on considère cet aspect retrospectivement, et si c'était à refaire, on n'aurait peut-être pas lié les redevances aux concessions de base pour une si longue période. Mais il faut se rappeler aussi qu'on voulait tellement atteindre d'autres objectifs, la mise en valeur des territoires du Nord, l'occupation efficace, ainsi de suite, et c'était là un instrument pour atteindre ces objectifs.

[*Texte*]

Mr. O'Connell: Yes, I realize that, and I think these hearings have brought that out. I think there has been a very difficult balance to strike. But if there is this review going on, and if there is legislation to come forward, I at least would like to put in a plea that the basic royalty not be placed in such a rigid posture where it is outside review from time to time, particularly in view of the length of these leases.

The other question I want to ask is about the size of these leases, the potential size. The Prudhoe Bay discovery indicated there may be very large pools in the North. Could you say whether there are limitations on the size of permits that may be held contiguous to each other?

Mr. Hunt: No. A company may acquire, first of all by filing, of course, any permits that are available to any extent and number that it so wished. We found, and this was found in the provinces too, that a limitation tended to limit only the smaller organization and the less astute operator. It was found in the Western Provinces that limitations simply resulted in the incorporation of a plethora of associated and affiliated companies for the purpose of holding up to the maximum allowable per individual company.

Mr. O'Connell: I think perhaps that is a sound decision, but it keeps bearing back upon the fixed 10 per cent royalty. I think that very large pools might fall into the hands of single holders, and then their costs of development and so on are certainly going to be lower.

Mr. Hunt: I do not think there need be any concern about one oil field falling into the hands of one developer, provided the returns to the government are appropriate.

Mr. O'Connell: Yes, that is what I am saying.

Mr. Hunt: Yes, and I would have to agree with you that an oil field could be owned by one company. This would avoid problems of unitization and should lead to the optimum development of the field. However, the terms of the basic leases are set. This is true.

Mr. O'Connell: Thank you. Could I move to a few other areas of interest, Mr. Chairman? The first one is a minor point, perhaps, but could you tell us a little about the Continental Shelf? Has it been defined in the Arctic? Are there leases or permits being issued that are out under the water? And together with those

[*Interprétation*]

M. O'Connell: Oui, je comprends cela et je crois que ces audiences ont bien mis cela en évidence. C'était un équilibre difficile à trouver. Mais si cette étude doit se poursuivre et si l'on devait réglementer cette question, j'aimerais proposer que la redevance de base ne soit pas établie de façon si rigoureuse qu'il soit impossible de la reviser de temps à autre, surtout si l'on considère la durée des concessions. La découverte de la Baie Prudhoe porte à croire à l'existance d'importants gisements dans le Nord. Pourriez-vous nous dire si l'étendue des concessions contiguës fait l'objet de restrictions?

M. Hunt: Non, une compagnie peut acquérir, tout d'abord en déposant la demande, tous permis qui sont disponibles et autant qu'elle en veut. Nous avons découvert, tout comme les provinces d'ailleurs, que les restrictions touchaient uniquement les petites organisations et les exploitants les moins visés. On s'est aperçu que dans les provinces de l'Ouest, les restrictions ont eu pour conséquence la fusion d'une pléthore de sociétés associées et affiliées dans le but de détenir le maximum de concessions permis pour chaque compagnie.

M. O'Connell: La décision est peut-être bonne, mais on ne cesse de revenir à la redevance de 10 p. 100. Je pense à la possibilité que d'importants gisements pourraient tomber dans les mains de compagnies particulières, ce qui réduirait les frais de mise en valeur et d'exploitation.

M. Hunt: A mon avis, cela ne devrait pas nous préoccuper, pourvu que le gouvernement reçoive sa part des revenus.

M. O'Connell: Oui, c'est ce que je dis.

M. Hunt: Oui, et je devrais convenir avec vous qu'un champ de pétrole peut appartenir à une seule compagnie, ce qui réduirait le nombre des concessionnaires et devrait mener à la mise en valeur maximum du champ pétrolifère. Cependant, les conditions régissant les concessions de base sont établies.

M. O'Connell: Merci. Pourrais-je passer à quelques autres questions d'intérêt, monsieur le président. Le premier point est de seconde importance, mais pourriez-vous nous dire quelque chose au sujet du Plateau continental? Est-ce qu'il a été délimité dans l'Arctique? Est-ce qu'on émet des permis pour les

[*Text*]

questions, may I ask if drilling could take place from sea ice in the Arctic?

Mr. Woodward: Perhaps I can answer your second question first. As you see from the diagram, there are 220 million acres under permit now, north of the mainland, and about 100 million of that would be on the island areas. So there are approximately 120 million acres in the inter-channel areas and other marine areas of the Arctic Ocean and the Beaufort Sea.

• 1150

Some of those permits now are in water depths of better than 1,000 feet. The 200-meter line, 600 feet, is not too far north from the northernmost island outlined, and comes down about half way through the permit areas as they exist off the Mackenzie Delta. As far as the Continental Shelf is concerned, you know that the Geneva Convention does provide access to the mineral resources to the nation adjoining the Continental Shelf out to the depths which may be exploited within the technology available today. The fact that these companies have taken exploration permits in these waters, even though they be ice covered, indicates their expectation that they can be explored with current technology and hopefully—if not today, somewhere not too far down the road—could actually be exploited. There are a number of companies already looking at the possibility of bringing drilling ships into the channel areas of the Arctic Islands with the idea of mooring these in ice and drilling from them. It would be our expectation that within the next two years we will see such attempts made.

Mr. Bergevin mentioned in his introductory comments work bonus blocks and of $15 million being bid in extra work commitments. These were offshore blocks immediately off the Delta, some of them in 600 feet of water. In fact, from the size of the work bonus bid we can determine that there are two and possibly three wells committed within the anticipated expenditures behind the amount which has been tendered by these companies. In addition to that, Hunt Oil Company has worked into a farm-out deal with Dome Petroleum Limited for lands 50 miles offshore and are committed to dril a well within the next four to five years. So really what I am indicating here is that in addition to the normal intent of companies holding this vast amount of offshore acreage there are at least three wells committed to be drilled within the next six years by way of bonus guarantees. To the Crown it is exactly that—they have to put down a deposit and if they do not fulfil

[*Interpretation*]

gisements au large de la Côte? Est-ce que le forage pourrait être effectué là où il y a une couche de glace maritime dans l'Arctique?

M. Woodward: Je vais essayer de répondre à votre deuxième question. Vous verrez sur le plan qu'il y a 220 millions d'acres accordés sous forme de permis au nord du continent, dont 100 millions seraient situés dans les régions des îles. Par conséquent, il y a environ 120 millions d'acres constitués par les détroits et les secteurs maritimes de l'océan arctique ainsi que la mer Beaufort.

Certains de ces permis couvrent des régions recouvertes d'eaux de plus de mille pieds de fond. La ligne de 200 mètres ou 600 pieds n'est pas trop loin au nord de l'île la plus au nord, et redescend presque à mi-chemin à travers les concessions telles qu'elles existent au-delà du delta du Mackenzie. Alors, pour ce qui est du plateau continental, vous savez que la convention de Genève prévoit l'accès aux ressources minérales aux pays contigus à ce plateau jusqu'aux profondeurs permises par la technologie actuelle. Le fait que ces sociétés se sont fait délivrer des permis de prospection dans ces eaux malgré la glace révèle qu'on espère pouvoir les explorer grâce à la technologie moderne et même dans un avenir rapproché pouvoir les exploiter. Il y a un bon nombre de sociétés déjà qui considèrent la possibilité d'amener des bateaux de forage dans les régions du chenal des îles de l'Arctique avec l'intention de faire des forages à partir des bateaux amarrés dans les glaces. Nous nous attendons à ce que pareilles tentatives se fassent en dedans des deux prochaines années.

M. Bergevin a mentionné dans son commentaire du début les primes de travail et $15 millions en engagements pour travaux supplémentaires. Il s'agissait des branches au large de la Côte, certains à plus de 600 pieds de fond. Alors, du montant de la prime on peut déterminer qu'il y a peut-être deux ou trois puits déjà engagés dans les provisions de dépenses. En plus de cela, la société *Hunt International Petroleum Co. of Canada* a élaboré une entente d'affermage avec *Dome Petroleum Limited* pour les terres à 50 milles au large et elles se sont engagées à forer un puits d'ici quatre ou cinq ans. Donc ce que je vous dis réellement c'est qu'en plus de l'intention normale des sociétés possédant cette grande quantité de territoire au large, il y a au moins trois puits qui doivent être forés au cours des six prochaines années moyennant les garanties de primes. A la Couronne, ils doivent faire un dépôt et s'ils ne complètent pas leur programme de prospection, y com-

[*Texte*]

their exploration program which contemplate drilling a well the bonus is forfeited. In the case for the farm-out deal it is a firm commitment by contractual agreement to drill that well.

So there is much land then on the Continental Shelf which is now in permit form. There are guaranteed commitments that much of it must be explored geologically, scientifically and there are at least three wells firmly committed. This should all evolve then within a maximum of six years. I am sure we will see much activity in the next two and three years.

The Chairman: Has there been any questioning whatsoever of Canadian jurisdiction to grant permits in this entire area outlined on the map by any American oil company or by the French companies which are government controlled and interested in the North?

Dr. Woodward: Not by nations per se. As you know, there is...

The Chairman: Or by any companies?

Dr. Woodward: No, not by any companies.

Mr. Hunt: I think the answer is an unequivocal no, and from our administrative point of view we are still puzzled about how the press story got around that it had been questioned. We have never been able to run it to earth or to find out where it originated.

Mr. O'Connell: Mr. Chairman, I have two other questions, one relates to how the Department of Energy, Mines and Resources fits into this picture and the other has to do with some legislation which I understand may be coming. I would like to ask a few questions in these areas.

First of all, could we determine how it is that one department is administering energy, resources and development plans in the North and another one, generally, for Canada. Could you describe the relationships between the two?

• 1155

Mr. Hunt: I think, sir, that this exemplifies sometimes the problems one has between looking at various responsibilities and how they should be carried out. I have tried to indicate that the encouragement of development of oil and other natural resources in the North has, shall we say, not solely as its objective just producing more oil or producing more minerals, it has as its objective the development of the northern economy. A very important reason for that is of course to make available to the residents of the North, par-

[*Interprétation*]

pris le forage d'un puits, la prime est perdue. Dans le cas de cette entente, il y a un engagement ferme de par l'accord contractuel de forer ce puits.

Alors, une bonne partie des terres sur le plateau continental est couverte par des permis. Il y a des engagements garantis qu'il faudra en faire une exploration géologique et scientifique et il y a trois puits formellement promis. Tout cela se fera d'ici six ans au grand maximum. Je suis certain qu'il y aura beaucoup d'activité dans les deux ou trois prochaines années.

Le président: Est-ce que des sociétés pétrolières américaines ou françaises qui sont dirigées par l'État et intéressées dans le Nord ont mis en doute la compétence du Canada de délivrer des permis pour toute la région indiquée sur la carte?

M. Woodward: Pas pour les pays eux-mêmes. Comme vous le savez, il y a...

Le président: Ou par des sociétés?

M. Woodward: Aucune société.

M. Hunt: Je pense que la réponse est un non catégorique, et au point de vue administratif, nous sommes toujours perplexes au sujet du reportage de la presse. Nous ne savons pas au juste quelle en est la source.

M. O'Connell: Monsieur le président, j'ai deux autres questions; la première a trait à comment le ministère de l'Énergie, des Mines et des Ressources entre dans la situation actuelle et la deuxième à la législation que l'on prévoit à ce sujet. J'aimerais poser quelques questions à cet égard.

D'abord, peut-on déterminer comment un ministère peut s'occuper de l'énergie, des ressources et du développement du Nord et un autre pour l'ensemble du Canada? Pourriez-vous nous décrire les rapports entre les ministères?

M. Hunt: Je crois que cela est un exemple des problèmes qu'il y a entre considérer diverses responsabilités et la façon de les résoudre. J'ai essayé de montrer que l'encouragement de la mise en valeur du pétrole et des ressources du Nord ne se consacre pas simplement à la production accrue de pétrole et de minéraux mais il s'agit aussi de développer l'économie du Nord. La raison principale, bien sûr, c'est de fournir aux habitants du Nord, surtout les Indiens et les Esquimaux les occasions, s'ils le veulent, d'améliorer leur

[*Text*]

ticularly the Indian and the Eskimo residents, opportunities, if they so desire to avail themselves of them, for improving their standards of living and for achieving within reason, having regard to the location and distance, an essentially similar quality of life to that available in Southern Canada.

Therefore I believe it seemed to our Minister appropriate that if he has this responsibility—and perhaps I am being a little presumptuous here in speaking on behalf of the Minister, but I think I can convey the sense—for the Northern residents and for developing Northern Canada, it would be very difficult to do this unless he had the tools with which to do it; and the natural resources of the North are really the tools with which any significant advance is going to be made in developing the North.

On the other hand I believe it seemed appropriate that where, shall we say, other federal resources were involved that these should be administered together in one organization. Of course, the Department of Energy, Mines and Resources is responsible not only for administering, shall we say, the oil and mineral rights offshore from the provincial areas in Canada, but also for water policy and water development to the extent that this is a federal responsibility. Of course it has a long history of research in geological areas and that sort of thing. So one might say that the general intent was of course to put all resource administration in one department, but then this special requirement for the North became apparent and led to the division.

Mr. O'Connell: Are there any difficulties with respect to promotion of development, say, on the Atlantic and Pacific coasts in contrast with the North? Are the terms and conditions that might be worked out through one department significantly different from those in your own? Are the incentives and so on different on the Pacific from the North? What I am getting at is whether there is a broad consistency between the approaches to development in each of the two departments?

Mr. Hunt: Yes, because they use and administer exactly the same set of regulations. There are slight differences in permit terms but the lease terms are exactly the same. At the moment the additional royalty terms are exactly the same.

Mr. O'Connell: So from the point of view of Northern development, you feel at no disadvantage because of any policies and development regulations in the other department.

[*Interpretation*]

niveau de vie et de réaliser de manière raisonnable, en tenant compte de l'emplacement et la distance, une qualité de vie analogue à celle que l'on trouve dans le Sud.

Par conséquent, je crois que notre ministre s'il a cette responsabilité, peut-être supposai-je trop de choses en parlant au nom du ministre, mais il lui semble qu'ayant cette responsabilité, à l'endroit des habitants du nord, et pour ce qui est du développement de cette région, la chose lui sera très difficile s'il n'a pas les moyens de le faire. Or, les ressources du Grand Nord sont ces instruments qui sont indispensables à l'avancement de cette région.

D'autre part, il me semble approprié que d'autres ressources fédérales soient en jeu et que ces dernières soient administrées par une seule organisation. Bien sûr, le ministère de l'Énergie, des Mines et des Ressources est responsable non seulement de l'administration des droits miniers au large des côtes provinciales du Canada, mais aussi de la politique à l'égard de l'eau dans la mesure où elle relève de la compétence fédérale. Il y a déjà longtemps qu'on fait de la recherche dans les endroits géologiques et autres de ce genre. Je dirais donc que l'intention générale était de réunir en un ministère toute l'administration des ressources, mais les besoins spéciaux du Nord ont amené la formation de la division.

M. O'Connell: Est-ce qu'on rencontre des difficultés à l'égard de la promotion du développement sur les côtes Atlantique et Pacifique par rapport au Grand Nord. Est-ce que les conditions qui peuvent être établies par un ministère seraient sensiblement différentes de celles de votre ministère? Est-ce qu'il y a des différences entre les primes pour le Pacifique et pour le Nord. Si je le demande, c'est qu'il semble y avoir une certaine logique dans la façon d'aborder le développement dans les deux ministères.

M. Hunt: Oui, justement, parce qu'ils se servent des mêmes règlements. Il y a bien quelques divergences à l'égard des permis mais pour les concessions et pour les redevances, les conditions sont exactement les mêmes.

M. O'Connell: Par conséquent, pour le développement du Grand Nord, vous ne vous sentez pas désavantagés à cause des politiques et des règlements de l'autre ministère.

[*Texte*]

Mr. Hunt: No. We co-operate very closely together. Maybe oil will be found off one of the other coasts of Canada before it is found in the North, but this will be one of the facts of life we will have to deal with at that time.

Mr. O'Connell: Mr. Chairman, my other questions are related to the fact that the regulations exist as orders in council and I understand there is to be legislation to give them a statutory base. Could the witnesses confirm that, or is that a policy matter?

Mr. Hunt: I think we could comment on it. There are two sets of regulations in force now. There is the Canada Oil and Gas Land Regulations which are made pursuant to the Territorial Lands Act and the Public Lands Grants Act. So far as I am aware, these regu-

• 1200

lations are in full force and effect, they have proper statutory base and there would be no change contemplated.

I think the legislation to which you refer has been given some consideration already. This would provide for the control of oil production and, if you like, conservation of oil productions, and in that it would provide for the control of drilling operations.

There are in existence today what we call Canada Oil and Gas Drilling and Production Regulations, and it would be the policy intent, I think, once this other piece of legislation has received approval and is in force, to make these regulations pursuant to this new legislation rather than to continue them under the Territorial Lands Act as at the moment. But this contemplated legislation really has no bearing whatever, I suggest, on disposal policies which are provided for under the Territorial Lands Act and the pursuant regulations.

Mr. O'Connell: There were two matters with respect to legislation that I was particularly interested in and they may still relate to the existing ones, then, if not to the new ones. Are conservation measures being contemplated—you have mentioned them earlier in the hearings—in relation to a disturbance of the ecology which is very delicate in the North, and, the control of environmental pollution that might come from the wildcat wells and so on? There has been a great deal of difficulty in this area off the Pacific Coast. Do we have adequate protection in those two areas of general conservation and pollution control?

[*Interprétation*]

M. Hunt: Non, nous collaborons étroitement. On pourrait peut-être trouver du pétrole au large des autres côtes avant d'en trouver dans le Grand Nord, mais c'est une éventualité dont nous aurons à nous occuper alors.

M. O'Connell: Monsieur le président, mon autre question se rapporte au fait que les règlements sont des décrets du conseil et je crois qu'il y aura une loi pour leur donner un fondement légal.

Est-ce que les témoins pourraient le confirmer? Ou s'agit-il d'une politique ministérielle?

M. Hunt: Nous pouvons en parler. Il y a deux genres de règlements en vigueur. Le Règlement sur les terres pétrolifères et gazifères du Canada est conforme à la Loi sur les terres territoriales et à la Loi sur les concessions de terres publiques. A ma connaissance, ces règlements sont en vigueur, ils sont statutaires et on n'envisage aucun changement. Pour ce qui est des lois auxquelles vous faites allusion, je crois qu'on a déjà envisagé de les modifier afin de contrôler la production pétrolière et si vous voulez la conservation des productions de pétrole; en ce sens ce contrôle s'appliquerait aux opérations de forage.

Il existe aujourd'hui ce que nous appelons le Règlement sur le forage et l'exploitation des puits de pétrole et de gaz, et la politique vise, je crois, une fois que cette loi aura été adoptée et mise en vigueur, à rendre ce Règlement conforme à cette nouvelle loi, plutôt que de le laisser relever de la Loi sur les terres territoriales. Mais ce projet de loi n'a rien à voir avec les politiques que prévoit la Loi sur les terres territoriales et le Règlement afférent.

M. O'Connell: Deux aspects de la loi m'intéressent particulièrement et se rattachent au Règlement existant, sinon au nouveau. Envisage-t-on de prendre des mesures de conservation—vous en avez déjà parlé au début de la séance—concernant le bouleversement écologique, dans le Grand Nord et le contrôle de la pollution du milieu, que peuvent causer les puits forés au hasard? On a éprouvé beaucoup de difficultés au large de la côte du Pacifique. A-t-on prévu une protection suffisante pour la conservation générale et le contrôle de la pollution?

[*Text*]

Mr. Hunt: From the point of view of general conservation, at the moment the protection we have achieved has been on a voluntary basis by the oil and mining industries. The Department is now looking very carefully at the need for developing conservation regulations, if I might so term them, from the point of view of environmental control. It certainly is our hope that we will be able to forward some suggestions in this regard for the consideration of our Minister and the government in the near future. We hope that if they are proceeded with and if the need is apparent they will prove adequate.

From the point of view of pollution resulting from production, this would be one of the main purposes of the proposed new legislation.

It would seek statutory authority for very close control of all drilling and producing operations to ensure that so far as is humanly possible there would be no opportunity for pollution of the air, water or surrounding land.

Mr. O'Connell: Mr. Chairman, I thank you for letting me go on. I have just one other question and that has to do with this continuing problem and, I think, concern about native entitlements and land rights in the North. We do know that in Treaty Areas 8 and 11 there is a land entitlement of nearly a half million acres. If that were taken up as a land entitlement, might the mineral rights that pertain to the reserves therefore set aside?

Apart from that specific, since the development in the North is all in the same Department where Indian and native affairs are involved, what steps are being taken to look at the whole question of aboriginal rights—native land rights; Eskimo and Indian—in the light of the leases that are being issued now and the revenue provisions that are being built into them? What is being done in this area?

• 1205

Mr. Hunt: I think it would be fair to state that we are proceeding administratively, of course, on the basis that the whole of the area with the exception, say, of certain reserves for government purposes and the Thelon Game Sanctuary and one or two other areas, is available for mineral leasing—oil or other minerals or even for the renewable natural resources—and that we are ensuring to the extent possible that a reasonable return will accrue to the Crown.

I suggest if it is deemed desirable in the future for this return to be allocated to any

[*Interpretation*]

M. Hunt: Pour ce qui est de la conservation, à l'heure actuelle, ce sont les industries pétrolières et minières qui assurent volontairement la protection. Le ministère étudie de près la possibilité de faire un Règlement sur la conservation, si on peut l'appeler ainsi, au point de vue du contrôle de la pollution du milieu. Nous espérons pouvoir soumettre quelques recommandations, à ce sujet, à notre ministre et au gouvernement, dans un avenir rapproché. Nous espérons que si on l'adopte, il se révélera, au besoin, efficace.

Au point de vue de la pollution causée par la production, ce serait là l'un des premiers objectifs de la nouvelle loi.

Ce Règlement aura une autorité statutaire pour exercer un contrôle serré des opérations de forage et de production pour faire en sorte que, dans toute la mesure du possible, il n'y ait pas de risque de pollution de l'air, de l'eau ou du sol.

M. O'Connell: Monsieur le président, je vous remercie de m'avoir laissé continuer. J'ai une dernière question à poser au sujet de ce problème insoluble que posent les droits des indigènes et les droits fonciers, dans le Grand Nord. Nous savons que dans les régions sous traités 8 et 11, il y a une section de terrain de près d'un demi-million d'acres. S'il en est tenu compte dans la cession des droits miniers, est-il possible qu'on nie les droits miniers des réserves?

A part cette disposition précise, vu que le développement du Grand-Nord se fait dans le même ministère que les Affaires indiennes, quelles mesures prend-on pour étudier ces droits des autochtones, des Esquimaux et des Indiens, les droits fonciers des héritiers, à la lumière des concessions qui sont délivrées actuellement, et des dispositions concernant les revenus, que fait-on à ce sujet?

M. Hunt: On pourrait dire à bon droit, je crois, qu'au point de vue administratif nous estimons que toute la région, à l'exception bien sûr des réserves indiennes, et des réserves zoologiques, que tous les terrains pourraient faire l'objet de concessions, même au point de vue des ressources renouvelables. Nous nous assurons, bien sûr, dans la mesure du possible, que la Couronne retirera un profit raisonnable de ces opérations.

A mon avis, il serait souhaitable à l'avenir que ces profits soient accordés à un groupe

[*Texte*]

special group of citizens that this, of course, could be done, but no special provision is being made at this time in that connection.

Mr. O'Connell: I would like to find some assurance that the question is being looked at. For example, is there any input at all into policy and administration by the two territorial councils? Are discussions being conducted with native groups in the North with respect to this question? I am sure the witnesses are aware that in Alaska leasing was actually held up for some time while the question of native land rights was being considered by Congress. I am concerned because if we do not look at this question while we are in the early developmental phase it might come to plague us at some later date.

Mr. Hunt: With respect to the first question, the Commissioners of both the Yukon and the Northwest Territories are kept, I think one can say, reasonably well informed of current developments in the natural resource field—oil, minerals, forest and water—but there is no consultative process with the territorial councils as such.

As I understand the situation, of course, there was a very clear distinction of responsibility here; the federal government being responsible for natural resource administration and development in the North and, of course, this involves quite an extensive capital investment in incentive programs, in roads, in support, in infrastructure.

I am afraid I do not have the figures with me today, but if one tries to calculate the total federal government investment in resource development in the North and compares it with the direct returns, including income tax—and this, of course, has to be done on an assessment basis—there is at the moment quite a disproportion. There is about $1 return for every $6 in the Yukon and it is about $1 return for every $4 or $5 in the Northwest Territories.

I say that because I have heard on many occasions people express the view that the direct revenues, including income tax, both corporate and personal, from resource development in the North far exceeds the federal government's investment in resource development. This, frankly, is just not so at the moment; it may be, of course, some day in the future and I think everyone hopes it will be. At the moment there is not, shall I say, any excess of direct revenue for distribution anywhere.

On the other aspect of your question, as I think I have already indicated, this is per-

[*Interprétation*]

particulier de citoyens, et la chose pourrait se faire. Mais, en ce moment, il n'y a aucune disposition spéciale à cet effet.

M. O'Connell: Je voudrais qu'on me rassure au sujet de cette question. Par exemple, est-ce que les deux conseils territoriaux participent aux politiques et à l'administration? Y a-t-il des entretiens au niveau des authochtones à ce sujet? Je suis sûr que les témoins savent que les concessions en Alaska ont été retenues jusqu'à ce que la question des droits miniers soit tranchée par le Congrès. Ce qui me préoccupe, si nous n'envisageons pas cette question dès maintenant, c'est que, plus tard, nous pourrions avoir des ennuis.

M. Hunt: Pour ce qui est de votre première question, les Commissaires du Yukon et des Territoires du Nord-Ouest sont assez bien informés de la mise en valeur de leurs ressources naturelles dans leur région, mais il n'y a pas d'appareil consultatif avec les Conseils des territoires.

Il y a une distinction bien claire entre les responsabilités; le gouvernement fédéral doit s'occuper des richesses naturelles, du développement du Grand-Nord, et en quelques mots, je dirais que cela implique un fort investissement de capital, un programme intensif de voirie et de construction.

Je n'ai pas les chiffres devant moi, mais si l'on tente de calculer la participation fédérale dans son ensemble pour la mise en valeur des ressources du Grand-Nord et qu'on la compare aux revenus fiscaux, y compris l'impôt sur le revenu—et, bien sûr, on doit faire cela d'après une évaluation—il y a, à l'heure actuelle, une bonne disproportion. Pour un profit de $1, il y a $6 d'investis dans le Yukon, et dans les Territoires du Nord-Ouest, not portion devient de $1 pour $4 et peut-être de $1 pour $5.

J'ai entendu dire à maintes reprises que les revenus directs, y compris les impôts, provenant de la mise en valeur des ressources dans le Grand-Nord éclipsaient de beaucoup les investissements fédéraux. En fait, ce n'est pas du tout la situation présente, mais on espère, bien sûr, que cela viendra. Mais, à l'heure actuelle, il n'y a certainement pas d'excédent de revenus directs dans ce domaine. D'autre part, pour revenir à votre seconde question, j'ai déjà dit, je crois, qu'il s'agit d'une question de principe et on ne nous a pas donné l'ordre de l'approfondir.

[*Text*]

haps a matter of policy, and as yet we have not been instructed to give any extensive consideration to this problem.

The Chairman: I have several questions. I hope the interpreters will be patient for another few minutes. Approximately how many acres were leased at the January sale of this year?

Dr. Woodward: It would be 4.5 million.

The Chairman: These were generally offshore permits.

Dr. Woodward: Not generally; about 1.5 million were offshore permits.

The Chairman: Was the January sale the cut-off date? You are not going to have any more until you have had a review of your policy?

Dr. Woodward: Yes.

The Chairman: Could you indicate approximately how many acres—permits—are held in the Northwest Territories and the Yukon by the companies which are controlled by the government of France—Aquitaine and also Elf Oil?

Dr. Woodward: Elf Oil Exploration and Production Company is the main French company in the—Oh, I am sorry...

I do not know precisely without checking figures. It would be 5 to 6 million acres held by Elf. Aquitaine have very little. They have been involved only recently. At one time Elf carried the exploration north of 60° and Aquitaine, the French involvement, south of 60°. It has only been recently that Aquitaine has come into the North also. It has very little acreage on its own.

Mr. Hunt: I think we have to be careful here not to overlook a factor, though. Aquitaine has extensive holdings in Hudson Bay and, of course, this is subject to the administration at least of the Department of Energy, Mines and Resources. So I do not have the exact figures.

The Chairman: You cannot give us even a rough estimate of the acreage?

Mr. Hunt: Not if you include Hudson Bay. I am afraid not. We could supply it. There is always a problem. It is perhaps inadvisable to quote gross figures. In other words, a company may have a 10 per cent interest in some

[*Interpretation*]

Le président: J'ai plusieurs questions et j'espère que l'interprète patientera quelques minutes. Combien y a-t-il d'acres qui ont fait l'objet de concession lors de la vente de janvier dernier, environ?

M. Woodward: Je dirais quelque 4 millions et demi.

Le président: Il s'agissait ordinairement de permis visant des concessions au large des côtes?

M. Woodward: Non, généralement pas; environ un million et demi d'acres visaient des concessions au large des côtes.

Le président: La vente de janvier était la date limite, il n'y aura pas d'autres ventes avant la révision de votre politique?

M. Woodward: C'est exact.

Le président: Pourriez-vous me dire approximativement combien il y a d'acres détenues sous permis par des sociétés françaises, comme la Société française des pétroles d'Aquitaine et ELF Oil?

M. Woodward: La Société d'exploration et de production pétrolière E.L.F. est la principale compagnie française dans le... Oh! je suis désolé... Je ne sais pas au juste, mais je dirais qu'il s'agit de 5 à 6 millions d'acres qui sont détenus par la Société ELF. La Société Aquitaine a très peu de terrain car elle ne s'intéresse à la chose que depuis peu. La Société ELF a prospecté surtout au nord du 60° parallèle, tandis que la Société Aquitaine a été surtout au-dessous du 60° parallèle; c'est seulement depuis ces derniers temps qu'elle s'intéresse à la région au-dessus.

M. Hunt: Il ne faut pas oublier, je crois que l'Aquitaine a des avoirs importants dans la Baie d'Hudson, et, bien sûr, cela tombe sous l'administration du ministère de l'Énergie et des ressources. Je n'ai donc pas les chiffres exacts.

Le président: Par conséquent, vous ne pouvez pas nous donner une idée même approximative?

M. Hunt: Non, si vous comprenez la Baie d'Hudson. Nous pourrions fournir les chiffres. Mais il y a toujours un problème. Il ne faudrait peut-être pas donner les chiffres bruts. Si on donne des chiffres bruts il faut aussi

[*Texte*]

area and you need to quote the gross and the net to get an idea.

The Chairman: Are the leases automatic after an exploration permit has been exercised, lived up to by the party which originally took out the permit? Is there a contractual obligation on the part of the government to proceed with the granting of a lease once the party to the permit has lived up to his obligations under that permit?

Dr. Woodward: That is correct.

The Chairman: There is a contractual obligation?

Dr. Woodward: It is a term of the permit that they have access to leases encompassing 50 per cent of the permit.

Mr. Hunt: There is one qualification and that is that they have to comply with the Canadian participation requirements.

The Chairman: You indicated earlier that according to your calculations, when all our taxes, provincial and federal, are taken into consideration, that is, in southern Canada, we tend to receive approximately 75 per cent out of companies taking out oil leases. Have you come to any conclusion as to what the percentage would be if the Panarctic venture were to succeed in finding oil and were to produce oil in substantial quantities? Have you any idea whether there would be much additional percentage accruing to the government as such, another 5 or 10 per cent?

Dr. Woodward: There are two aspects here. The government has a 45 per cent equity in it and, of course, it would share in revenues derived from the Panarctic operation in the same way as any other shareholder. Then separate from that—wearing the other hat, if you will—we have the same relationships to Panarctic as we have to any other company in the North and would benefit by the special royalties, taxes and so on. So really we benefit by participation in the project as well as by government-industry relationship.

• 1215

Mr. Hunt: We would get simply 45 per cent of whatever was left after paying all normal charges.

The Chairman: So that in the case of any company in the Northwest Territories producing oil we would get the 10 per cent basic royalty and perhaps these additional royalties plus 51 per cent of the profit in the form of

[*Interprétation*]

donner les chiffres nets si une compagnie a un intérêt de 10 p. 100 dans une région donnée.

Le président: Pour ce qui est des concessions, sont-elles automatiques après qu'un permis d'exploration a été utilisé? Le gouvernement s'engage-t-il par contrat à céder la concession, une fois que les détenteurs du permis ont acquitté leurs obligations?

M. Woodward: Oui.

Le président: Il s'agit d'un engagement contractuel?

M. Woodward: Une des conditions du permis leur donne droit à des concessions allant jusqu'à 50 p. 100 du permis.

M. Hunt: Il y a une réserve: il faut respecter les exigences canadiennes de participation.

Le président: Vous avez dit plus tôt que, selon vos calculs, nous recevons environ, en fait d'impôts provinciaux, fédéraux, etc., 75 p. 100 des sociétés qui détiennent des concessions. Avez-vous tiré quelques conclusions quant à ce que serait le pourcentage si l'entreprise pan-arctique était couronnée de succès et que du pétrole pouvait être produit en quantité? Avez-vous une idée du pourcentage des revenus supplémentaires que retirerait le gouvernement, 5 ou 10 p. 100?

M. Woodward: Il y a deux aspects à considérer ici. Le gouvernement a certains intérêts dans cette entreprise et il en partagera les revenus de la même façon qu'un autre actionnaire ordinaire; et, nous avons les mêmes rapports avec la Pan-Arctic qu'avec les autres sociétés dans le Grand Nord, c'est-à-dire les redevances particulières, les impôts, etc. Nous profiterons donc de cette participation et des rapports industrie-gouvernement.

M. Hunt: Nous ne retirerons que 45 p. 100 de ce qui restera après avoir payé toutes les dépenses.

Le président: Par conséquent, pour toute société qui exploite du pétrole dans le Grand Nord, nous aurions les redevances de base de 10 p. 100, peut-être des redevances supplémentaires, plus 51 p. 100 des profits sous

[*Text*]

income tax. Therefore, we would get probably in the vicinity of 60 or 65 per cent and not 75 per cent.

Mr. Hunt: If I might caution here, the income tax would be lower because of depletion. The depletion allowance really brings the effective rate of income tax down to about 33⅓ per cent. But in addition to that 10 per cent gross, of course, is a far higher percentage of the net. It is very difficult to work out exactly how much it is worth but may I give an example.

Let us say you have oil that is selling at $2 a barrel at the well-head and that the costs of producing and transporting it to market are something like $1.50, so your net is going to be 50 cents a barrel. Your 10 per cent of gross is 10 per cent of $2, which is 20 cents; so that is 40 per cent of net.

The Chairman: So your calculations would indicate that this would run fairly close to the Alberta figures?

Mr. Hunt: I should have made it clear that the Alberta figures run somewhere between 68 and 74 per cent and that the northern figures—and this is very much a personal opinion because we have not any actual experience to go on in cost of production, cost of transportation—I suppose would be in excess of 60 per cent and hopefully heading up towards 70 per cent.

The Chairman: So that theoretically at least, the Panarctic profit, if it were to accrue to the people of Canada, could increase by a few percentage points anyway, perhaps 10 per cent.

Mr. Hunt: Well, it would be 45 per cent of whatever was left if we took, let us say, 70 per cent. So there is 30 per cent left for the company to split amongst the stockholders.

The Chairman: The figure of 75 in the Middle East is 75 per cent of net. They do not work out, I presume, to be actually about 90 per cent of net, do they? If they were to be 75 per cent of gross, I presume they would end up being about 90 or 95 per cent of net, would they not?

Mr. Hunt: No. They are 75 per cent of net. However, again this is not easy to arrive at because—net based on what? Some of the deals have pegged the price and allowed the oil companies to sell the oil at a lower price. When working out the share it has to pay the appropriate government, it has to work it on the theoretical price, not on the actual. But again, perhaps offsetting that, by no means

[*Interpretation*]

forme d'impôts. Par conséquent, nous aurions environ 60 à 65 p. 100 et non 75?

M. Hunt: Je dirais que l'impôt serait plus bas à cause du tarif d'épuisement, ce qui baisse le taux réel d'imposition à 33⅓ p. 100 environ. Mais, avec 10 p. 100 brut c'est une proportion beaucoup plus élevée que le profit net. Il est difficile d'établir une valeur précise. Je vous donnerai un exemple.

Si vous avez du pétrole qui se vend à $2 le baril, et supposons que les coûts de production et de transport s'établissent à $1.50, le net est donc $0.50 par baril. Votre 10 p. 100 du brut est 10 p. 100 de $2.00, c'est-à-dire 0.20, soit 40 p. 100 du profit net.

Le président: Selon vos calculs, cela ce serait plus ou moins correspondant aux chiffres en Alberta?

M. Hunt: Oui, mais je dois préciser que les chiffres en Alberta s'établissent à 68 et 74 p. 100 et je suppose que les chiffres pour le Grand Nord, et c'est mon opinion personnelle parce que nous n'avons pas eu d'expérience réelle, jusqu'ici, des frais de production, etc., seront supérieurs à 60 p. 100 et dépasseront même 70.

Le président: De sorte que les profits de la Panarctic qui reviendront à la population du Canada augmenteraient de l'ordre de 10 p. 100 environ?

M. Hunt: Je pense que cela serait 45 p. 100 de ce qui resterait si l'on prend disons 70 p. 100. Il resterait 30 p. 100 à la compagnie, qui les distribuera à ses actionnaires.

Le président: Les chiffres de 75 p. 100 qu'on a pour le Moyen-Orient représentent 75 p. 100 du net. On ne s'arrange pas pour arriver à 90 p. 100 du prix net, n'est-ce pas? Si on avait 75 p. 100 brut, je suppose que ça nous amènerait à 90 ou 95 p. 100 du net?

M. Hunt: Non. C'est 75 p. 100 du net. C'est difficile de décider parce que le net, vous l'établissez en vous basant sur quoi? Les compagnies de pétrole sont libres de vendre à un prix inférieur. Lorsqu'elles établissent la part à donner au gouvernement, cela doit se faire d'après le prix théorique et non pas en fonction du prix réel. Si l'on ne tient pas compte de cela, on peut dire que les arrangements au

[*Texte*]

all the deals—all the arrangements, I should perhaps say—in the Middle East are 75 per cent. There are still many existing arrangements at 50 per cent of net.

The Chairman: I believe the Venezuelan arrangements are about 80 per cent. Is that not correct?

Dr. Woodward: I think they vary a great deal. Many of these arrangements are still under rather moderate terms arrived at 10 or 15 years ago and some of the concession terms exist right through until about 1980 and like our own are not amenable to quick change.

The Chairman: How do the percentages which the Canadian people receive in the Alberta situation, and presumably will receive in the Arctic situation, compare with what happens in the United States now with their very high depletion allowances? Do the American people through their government receive a 75 per cent amount or 50 per cent amount or less? Do you have any figures at all on this?

• 1220

Dr. Woodward: We have no direct comparisons. Generally one would assume that the U.S. in total in all the taxes associated with industry, royalties, etc. does not gain as much back as the Canadian government does, mainly because behind a great number of U.S. policies...

The Chairman: It is to leave sufficient within the hands of industry to actually venture internationally.

Dr. Woodward: This is government policy so indeed they probably do not take away as much as does the Canadian government.

Mr. Hunt: Their depletion allowance applies in a somewhat different way and has the effect of reducing the actual tax burden.

Also, I think it might be appropriate to indicate that other than the offshore area inside the three mile limit dealt with by the States and beyond this by the United States federal government, and perhaps other extensive areas in Alaska, there are many States such as Texas where there are essentially very few public lands—they are all privately held or endowed lands. So certainly without exception from the point of view of oil, at least in the north, the rights are held by the government.

Mr. Chairman: In respect of the block system, Mr. Hunt, that you talked about earlier and the 50 per cent which the permit holder

[*Interprétation*]

Moyen-Orient avoisinent les 75 p. 100. Il y en a encore plusieurs à 50 p. 100.

Le président: Je suppose qu'au Venezuela c'est 80 p. 100, n'est-ce pas?

M. Woodward: Cela varie beaucoup. Je pense qu'un bon nombre sont basés sur des dispositions prévues il y a quelques années. Quelques concessions sont valides jusqu'en 1980 et, comme les nôtres, ne peuvent être modifiées rapidement.

Le président: Les Canadiens, en Alberta, et probablement dans l'Arctique, en comparaison de ce qui arrive aux États-Unis, avec une forte allocation d'épuisement, recevront combien? Est-ce que les Américains prévoient 75 p. 100, 50 p. 100 ou moins? Avez-vous des chiffres?

M. Woodward: Non, pas de comparaison directe, sauf ceci. Généralement, on peut supposer qu'au total, les États-Unis ne reçoivent pas autant que le gouvernement canadien, surtout à cause de politiques diverses et nombreuses.

Le président: Cela, c'est pour permettre à l'industrie d'entreprendre des travaux internationaux.

M. Woodward: C'est une politique du gouvernement qui ne retire probablement pas autant que le gouvernement canadien.

M. Hunt: Leur allocation d'épuisement aux États-Unis monte de façon différente, et cela diminue le fardeau fiscal.

Je pourrais peut-être en profiter pour dire que les régions au large des côtes, c'est-à-dire au large de la limite de trois milles dont parle les États, et plus loin pour le gouvernement fédéral des États-Unis et peut-être encore plus loin en Alaska, il y a des États, comme le Texas, où il y a très peu de terres publiques. En général, ils appartiennent à des particuliers ou à des successions. Donc, de ce point de vue, sans exception dans le cas du pétrole, du moins dans le Nord, c'est le gouvernement qui détient les ressources.

Le président: Dans le système de blocs dont vous avez parlé un peu plus tôt, monsieur Hunt, et des 50 p. 100 que le titulaire d'un

[*Text*]

is entitled to choose, can he choose it at random within the 50,000 acres or is that 50,000 acre block in turn sectioned off into smaller squares?

Mr. Hunt: It is sectioned off into 80 or 100 squares, as close to a square mile as we could come on a geodetic basis; then he is limited in his choice and he may take a maximum of three by five and four by four.

Mr. Chairman: So that it would be rather difficult, if any kind of a major discovery were made, for a permit holder, with the initial allotment, to retain useful control of the entire oil field for himself initially.

Dr. Woodward: Each one of these small squares is kitty-cornered, but if they are adjacent they have to be separated by a square of a mile distance. So there is a corridor acreage on each one of these.

Mr. Hunt: I think you are right. There might be the occasional situation where a field happens to lie on the corner of four permits and in that situation he could select a lease in any one of the four areas I am indicating. Even so, it is unlikely that would cover the whole of the field. One thing against him is that the leasing requirements prevent him from drilling in certain places. Suppose he drills a discovery well where I am indicating on the map. Now the Minister, in his discretion, can indicate to that developer that he may not drill another well within another four and a half miles before he goes to lease. So he is in a bit of a quandary what to do

It does mean that he will probably have to make his lease selection without knowing fully the extent, the shape or the configuration of the field. So that, on the one hand, if he is near a boundary there is something in his favour; on the other the very leasing requirements work against him. While I would not say that on average we would expect, say, a whole 50 per cent of the reserves of any field, I think it would be at least 14 plus.

Mr. Chairman: You indicated the Minister still has the power, without breaking any contractual arrangements presently in existence with any of the permit holders, to do what he likes with the Crown reserves. And when I say "what he likes" I mean that irrespective of any order to date, for example, he could, turn the Crown reserve over to a Crown oil corporation, a national development corporation or a Panarctic-type venture and that there would be nothing which, contractually or legally, would prevent the

[*Interpretation*]

permis peut choisir, est-ce qu'il choisit au hasard dans les 50,000 acres ou est-ce qu'ils sont divisés en parcelles?

M. Hunt: Ils sont divisés en 80 ou 100 carrés qui sont à peu près un mille carré, et il peut choisir un maximum de trois carrés sur cinq ou de quatre carrés sur quatre.

Le président: De sorte que ce serait assez difficile s'il y avait une découverte majeure, pour le détenteur du permis, avec la parcelle qui lui est consentie initialement, de conserver un contrôle utile de la nappe pétrolière pour lui seul?

M. Woodward: Chacun de ces petits carrés est jalonné, mais s'ils se touchent ils doivent être séparés par un espace d'un mille. Il y a donc un corridor tout autour.

M. Hunt: Je pense que vous avez raison. De temps à autre, il pourrait arriver qu'une nappe se trouve au coin de quatre zones appartenant à des détenteurs de permis. Dans ce cas, il peut choisir une de ces quatre concessions. Mais il est peu probable qu'il puisse obtenir tout le gisement. Une chose qui joue contre lui, c'est que les conditions du bail ne lui permettent pas de forer partout. Supposons qu'il fore et qu'il découvre un puits à l'endroit que j'indique sur la carte. Le ministre, à sa discrétion, peut indiquer à cet exploitant qu'il n'a pas le droit de faire un autre forage dans un rayon de 4 milles et demi avant d'obtenir son bail. Donc, il ne sait pas très bien que faire. Il devra probablement faire son choix de concession sans savoir exactement quelles seront l'étendue et la forme du champ. De sorte que si, d'une part, il est près d'une frontière, il est avantagé, mais, d'autre part, il y a certaines exigences du bail qui sont à son désavantage. Je ne dirai pas que, dans l'ensemble, on pourrait attendre 50 p. 100 des réserves, mais ce serait au moins 14 p. 100.

Le président: Vous avez dit que le ministre avait toujours le pouvoir, sans enfreindre la moindre disposition contractuelle actuelle avec aucun des détenteurs de permis, de faire ce qu'il veut avec les terres de la Couronne?

Et, lorsque j'ai dit «peut faire ce qu'il veut», je veux dire qu'indépendamment de tout ordre antérieur, il pourrait, par exemple, céder les terres de la Couronne à une société pétrolière de la Couronne, ou une société nationale de développement ou une entreprise genre Panarctic, et il n'y aurait rien, dans le

[*Texte*]

Minister from following such a course now under the present regulations.

• 1225

Mr. Hunt: That is correct. I think perhaps I just might read the actual regulation on this. This is the section dealing with the disposal of Crown reserve leases. It says that an oil and gas lease granted pursuant to this section may be granted upon such terms and conditions as the Minister may order.

Mr. Chairman: Obviously, there would be some reasons from industry, but even from the point of view of your department would there be a strong argument against such a suggestion that Crown reserves might be used in this manner?

Mr. Hunt: I think that one would have to assess this very carefully and assess its likely impact on the industry. The industry has been used to working in North America, particularly in Canada, on the basis that they would have the competitive opportunity of acquiring Crown reserve.

Therefore they gauge their programs to this. Of course they undertake extensive seismic and drilling operations. And this is all with the thought that they would get 50 per cent of whatever they find—or, if they are clever, a bit more—plus the opportunity of competing for the other 50 per cent. Now I am fairly confident in my discussions with industry that to take away this opportunity of competing for the other 50 per cent would cause very grave concern. Of course I could not forecast what the outcome would be, but they would regard it as limiting their opportunity and decreasing the incentive.

Mr. Chairman: But since, Mr. Hunt, it is evident to everyone now that the regulations have not so far resulted in the permits, for example, being taken out by Canadian-controlled companies, this conceivably could be used as a means of pressuring companies which wish to develop these Crown reserves to expand their ownership to include a percentage, to be decided upon, of Canadian ownership? Is this not an opening that could be used since the present regulations do not appear to be that effective?

Mr. Hunt: Yes. Perhaps I should indicate that the Canadian participation provisions, however effective they might be, do apply particularly to the Crown reserve acreage and no one may bid unless they can comply with the Canadian participation requirements. So

[*Interprétation*]

contrat ou juridiquement, qui empêcherait le ministre de suivre une telle ligne de conduite dans les circonstances actuelles.

M. Hunt: C'est exact. Permettez-moi de vous lire le règlement actuel. Il s'agit de la partie relative aux concessions des terres de la Couronne. Il est dit que l'octroi d'une concession pétrolière en vertu de cet article est soumis aux conditions précisées par le ministre.

Le président: Évidemment du côté de l'industrie il y aurait, des raisons, mais même du point de vue du ministère, est-ce qu'il y aurait un argument très fort contre une suggestion pareille d'utiliser les réserves de la Couronne à de telles fins?

M. Hunt: Je pense qu'il faudrait étudier soigneusement cette situation et les répercussions probables sur l'industrie. Les industries travaillent en Amérique du Nord, particulièrement au Canada, en espérant acquérir de façon concurrentielle, des terres de la Couronne.

Les programmes sont donc organisés en fonction de cela. Ils entreprennent donc beaucoup de recherches par voie de forage et de seisme. Et tout cela en pensant qu'ils vont obtenir 50 p. 100 de ce qu'ils vont découvrir, ou un peu plus s'ils sont intelligents, en plus de l'occasion d'entrer en concurrence pour obtenir le 50 p. 100 qui reste. Après avoir eu des entretiens avec les représentants de l'industrie, je suis convaincu que, si on essaie d'enlever les possibilités d'acquérir ce 50 p. 100 qui reste, on soulèvera beaucoup d'inquiétudes. Je ne sais pas exactement quelles seraient les conséquences, mais aux yeux des entreprises ce serait restreindre les opportunités et leurs stimulants.

Le président: Mais, monsieur Hunt, étant donné qu'il est évident pour chacun que les règlements jusqu'ici n'ont pas amené les sociétés canadiennes à s'assurer les permis, on pourrait se servir de cette situation pour exercer des pressions sur les société qui désirent exploiter ces terres de la Couronne pour qu'elles acquièrent d'autres propriétés afin d'augmenter leur pourcentage de propriétés canadiennes. Est-ce que ce n'est pas un levier dont on pourrait se servir étant donné que les règlements actuels ne semblent pas tellement efficaces?

M. Hunt: Oui. D'abord, je devrais peut-être indiquer que les dispositions de participation canadienne, aussi efficaces qu'elles soient, s'appliquent particulièrement aux superficies des terres de la Couronne, et personne ne peut faire d'offres à moins de se conformer à

[*Text*]

that at least to that extent those requirements do lead to effective Canadian ownership.

• 1230

Mr. Chairman: I presume this is also under reconsideration at the moment, because the very fact that a company is listed on a Canadian stock exchange is no indication whatsoever of its ownership.

Mr. Hunt: They have regulations with respect to the extent of listing rather than to the extent of the nationality of the stockholder. This is true.

I wonder if I could revert just on this idea. I think the Panarctic project has indicated quite clearly that industry has really no concern about government direct participation in the exploration business and does not feel threatened from its competitive position, if that participation is on the same basis that industry has to deal with. But if you give a government an inside track I am sure there would be far greater concern, and it would be a case of balancing one off against the other.

As Mr. Bergevin indicated earlier, exploration expenditures are expected this year to approach $40 million and we look forward, given success in the future, to this increasing, say, to $50 million. This is the sort of thing you have to balance off. Fifty million dollars is really very little to spend on exploring the North; it still is only scratching the surface.

After all, $100 million was spent in Alberta alone on some 30 million acres. We have 10 times the area; in theory at least we should be spending 10 times that, or $1 billion a year. The question then is where you are going to get these funds, and the care you have to take, whether to encourage them or discourage them.

The Chairman: Thank you very much, Mr. Hunt, Mr. Bergevin and Dr. Woodward for staying with us, and also a word of thanks to the staff for hanging on so late.

Vote 20 stood.

[*Interpretation*]

ces exigences. Dans cette mesure, du moins, ces exigences entraînent donc la propriété réelle par des Canadiens.

Le président: Je suppose que vous êtes en train de réétudier la question en ce moment, car le fait d'être inscrite à la Bourse canadienne n'indique absolument pas qui en est le propriétaire.

M. Hunt: Non, il y a des règlements au sujet du nombre d'actionnaires, mais pas sur leur nationalité. Vous aver raison.

Je me demande si je pourrais revenir encore sur cette idée. Je pense que le projet Panarctic a indiqué bien clairement que l'industrie ne s'inquiète pas vraiment de la participation directe de l'État dans le domaine des explorations et ne sens pas sa position concurrentielle menacée, s'il participe sur le même pied. Mais si vous donnez à l'État passe-droit, il y aurait lieu, je crois, de s'inquiéter; il s'agit de compenser l'un contre l'autre.

Comme l'a dit M. Bergevin, on s'attent à ce que les dépenses d'exploration atteignent presque 40 millions de dollars cette année et on espère atteindre 50 millions de dollars l'an prochain. C'est le genre de chose qu'il faut équilibrer. $50 millions c'est en fait très peu dépenser pour l'exploration du Nord; en fait, on ne fait que gratter la surface.

Après tout, on a dépassé $100 millions de dollars en Alberta pour explorer 30 millions d'acres. Alors que nous avons une superficie au moins dix fois plus grande, nous devrions dépenser peut-être dix fois plus, soit $1 milliard. Il s'agit alors de savoir exactement où on va trouver les fonds, et les soins à prendre, quelles entreprises encourager ou décourager.

Le président: Je vous remercie beaucoup messieurs Hunt, Bergevin, et Woodward d'avoir bien voulu rester aussi longtemps. Je remercie aussi les membres du personnel qui ont bien voulu rester à leur poste aussi tard.

Le crédit 20 est réservé.

Publications

17

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

LIBRARY
MAY 30 1969
UNIVERSITY OF TORONTO

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 17

THURSDAY, APRIL 17, 1969

LE JEUDI 17 AVRIL 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des Affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings) *(Voir Procès-verbaux)*

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

20077—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*

Vice-Chairman Mr. Paul St-Pierre *Vice-président*

and Messrs. et Messieurs

Borrie,
Buchanan
Cullen
Deakon
Dinsdale
Duquet
Gundlock
Laprise
Kaplan
Marchand (*Kamloops-Cariboo*)
Nielsen
O'Connell
Orlikow
Simpson
Smerchanski
Southam
Thomson (*Battleford-Kindersley*)
Yewchuk (20)

Le secrétaire du comité,

Michael B. Kirby,

Clerk of the Committee.

MINUTES OF PROCEEDINGS

[*Text*]

THURSDAY, April 17, 1969.
(18)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Simpson, Smerchanski, St-Pierre, Watson—(11).

Also present: Mr. Orange.

Witnesses: Mr. Walter Currie, President, Indian-Eskimo Association; Mr. Joe Keeper, Executive Director, Metis Federation of Manitoba; Mr. Andrew Bear Robe, Provisional Chairman of the Friendship Centre Association of Canada; Mr. Jean H. Lagassé, *from the Department of the Secretary of State,* Director of Citizenship Branch.

On motion of Mr. Simpson, it was

Agreed: That reasonable travelling and living expenses be paid to Mr. Walter Currie, Mr. Joe Keeper and Mr. Andrew Bear Robe who were to appear before the Committee this day.

The Chairman then called item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow the Committee to discuss "Friendship Centres" as agreed at the meeting of the Committee on March 25, 1969.

The Chairman introduced the witnesses. Each witness made a statement and was questioned by members of the Committee.

During questioning Mr. Currie and Mr. Bear Robe tabled some documents and on motion of Mr. Deakon, it was

PROCÈS-VERBAL

[*Traduction*]

Le JEUDI 17 avril 1969.
(18)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Watson.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Duquet, Gundlock, Kaplan, Simpson, Smerchanski, St-Pierre, Watson —(11).

De même que: M. Orange.

Témoins: M. Walter Currie, président de l'Association Indiens-Esquimaux; M. Joe Keeper, directeur exécutif, Fédération des Métis du Manitoba; M. Andrew Bear Robe, président temporaire de l'Association des centres d'accueil du Canada; et, *du Secrétariat d'État,* M. Jean-H. Lagassé, directeur de la Citoyenneté.

Sur la proposition de M. Simpson,

Il est décidé—Que l'on paie, dans une mesure raisonnable, leurs frais de déplacement et de séjour à M. Walter Currie, à M. Joe Keeper et à M. Andrew Bear Robe, qui ont comparu devant le Comité aujourd'hui.

Le président met ensuite en délibération le crédit 1—Administration centrale—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970, afin de permettre au Comité de parler des «centres d'accueil», comme il avait été décidé lors de la séance du Comité du 25 mars 1969.

Le président présente les témoins, et chacun fait une déclaration et répond aux questions des membres du Comité.

Au cours de l'interrogatoire, M. Currie et M. Bear Robe déposent des documents, et, sur la proposition de M. Deakon,

20077—1½

Agreed: That the documents entitled *National Conference on Indians and the City, An Action Research Project on Indians and the City, and the Report of the Sixth Annual Indian-Metis Friendship Centre Course (1968)*, tabled by Mr. Currie, the *brief read to the Hon. Robert Andras on March 18, 1969*, and the paper setting out the *Purposes and goals of Friendship Centres* tabled by Mr. Bear Robe be made exhibits of the Committee (*See respectively Exhibits Nos. 3, 4, 5, 6 and 7*).

At the request of Mr. Dinsdale, it was

Agreed: That the Clerk of the Committee be instructed to obtain or make copies of Exhibits Nos. 3, 4, 5, 6 and 7 and circulate them to the members of the Committee.

The questioning continued and at 1:45 p.m., on motion of Mr. Simpson, it was

Agreed: That the Committee adjourn to Friday, April 18, 1969.

Il est décidé—Que les documents intitulés *National Conference on Indians and the City, An Action Research Project on Indians and the City*, and the *Report of the Sixth Annual Indian-Metis Friendship Centre Course (1968)*, déposés par M. Currie, le *mémoire lu à l'honorable Robert Andras le 18 mars 1969*, et le document dans lequel sont exposés les *Purposes and Goals of Friendship Centres*, déposé par M. Bear Robe, soient utilisés comme pièces à l'appui (*Voir respectivement les Pièces à l'appui n*^{os} *3, 4, 5, 6 et 7*).

A la demande de M. Dinsdale,

Il est décidé—Que le secrétaire du Comité reçoive ordre d'obtenir ou de faire photocopier des exemplaires des Pièces à l'appui n^{os} 3, 4, 5, 6 et 7 et de les distribuer aux membres du Comité.

L'interrogatoire se poursuit, et, à 1 h. 45 de l'après-midi, sur la proposition de M. Simpson,

Il est décidé—Que le Comité s'ajourne jusqu'au vendredi 18 avril 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(Recorded by electronic apparatus)

Thursday, April 17, 1969

• 1113

The Chairman: Gentlemen, I will call the meeting to order. I would first like to ask for a motion that reasonable travelling and living expenses be paid to Mr. Walter Currie, Mr. Joe Keeper, Mr. Andrew Bear Robe, and any other people who may appear before the Committee today.

Mr. Simpson: I so move.

Motion agreed to.

The Chairman: Originally we announced that we were to have a meeting on Tuesday, April 15. I wish to explain that this meeting was cancelled because the principal witness, Dean Cohen, was not available. He will be appearing before us tomorrow on the question of Canada's Arctic sovereignty.

Before introducing the witnesses I think I should explain to those of you who were not aware of the steering committee's deliberations that after having received representations from a number of Members of Parliament on the matter of friendship centres the steering committee decided that we should devote a full day to this subject. As a conse-

• 1115

quence of this we have invited a number of witnesses who are competent to criticize the present friendship centre program and to make suggestions for its improvement.

All of us who have knowledge of the operation of some of the friendship centres in Canada have been impressed with their operation and we have been impressed with the manner in which they have made it possible for many young Indian people who have come from the hinterlands of Canada to fit into society in our urban areas. Where they are in operation they are playing a most important role in providing a community life for the young people who come in from the country, and it is a program which many of us have been led to believe is short of funds. However, I believe there are other criticisms

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le jeudi 17 avril 1969

Le président: Messieurs, j'appelle le comité à l'ordre. J'aimerais tout d'abord présenter une motion afin de payer les frais de voyage et de résidence, dans une limite raisonnable, à messieurs Walter Currie, Joe Keeper et Andrew Bear Robe ainsi qu'à d'autres qui peuvent venir témoigner aujourd'hui.

M. Simpson: J'appuie la motion.

La motion est approuvée.

Le président: Au début, nous avions annoncé que nous aurions une réunion mardi le 15 avril. La réunion a été annulée parce que le principal témoin, M. Dean Cohen ne pouvait venir ce jour-là. Il viendra témoigner demain au sujet de la question de la souveraineté du Canada dans l'Arctique.

Avant de vous présenter les témoins, je dois vous expliquer—pour ceux qui ne sont pas au courant des décisions du Comité de direction—que ce Comité, après avoir entendu les observations de plusieurs députés sur la question des centres d'accueil, a décidé de consacrer une journée à cette question. C'est pourquoi nous avons invité plusieurs témoins compétents pour analyser le programme des centres d'accueil et pour conseiller sur la manière de l'améliorer.

Tous ceux d'entre nous qui sont au courant de l'existence de ces centres au Canada, ont été impressionné par la façon dont ils sont administrés, pour permettre à de nombreux Indiens qui viennent de l'arrière pays de s'adapter à notre société urbaine. Là où ils existent, ils jouent un rôle très important dans la vie communautaire des jeunes gens qui viennent de la campagne. C'est un programme qui, croyons-nous, manque d'argent. Je crois qu'ils donnent lieu aussi à certaines critiques et c'est ce que nous espérons savoir de votre bouche. Vous êtes les spécialistes et nous voulons que vous nous disiez comment les pro-

[*Text*]

as well, and basically, gentlemen, this is what we want to hear from you. You are the experts and we want to hear from you on how the program can be improved and what its deficiencies are.

We have as witnesses...

Mr. Borrie: Mr. Chairman, before you go on with that, you are talking about bringing forth witnesses to criticize and evaluate the friendship centres. Is this correct?

The Chairman: Yes.

Mr. Borrie: Have the witnesses all been summoned or are you open for suggestions on other witnesses?

The Chairman: We decided that we would use our meeting today for that purpose. We invited them and I will introduce them now.

Mr. Borrie: Mr. Chairman, I take very strong exception to the fact that the steering committee is making decisions about bringing forth witnesses without giving an opportunity to some of the members of the Committee to mention the names of witnesses they possibly have in mind who might be able to contribute some valuable information to the Committee. I am thinking of a very progressive friendship centre in Dawson Creek, British Columbia. Because of the success they have had I feel their contribution would be of great merit and worthy of appearance before the Committee.

The Chairman: Mr. Borrie, I do not think there is a desire on anyone's part to not invite witnesses who have something to contribute and if it is the feeling of the Committee after this meeting today that we should invite further witnesses, then we will be happy to take the suggestion made into consideration. However, I would like to point out, Mr. Borrie, that the recommendation of the subcommittee to the effect that the particular witnesses we have with us today be called was approved by this Committee on March 25. The full Committee approved the appearance of the witnesses we have with us today. I do not believe you were present that day.

Mr. Borrie: No, I was on some other committee.

The Chairman: We have added one witness, Mr. Bear Robe. We were informed later that he could make a valuable contribution, so we decided to invite him. The same thing applies to anyone else. We are not trying to cut anyone off, it is simply a matter of planning future meetings and if we decide to devote a

[*Interpretation*]

grammes peuvent être améliorés et quels en sont les défauts,

Nous avons comme témoins,...

M. Borrie: Permettez-moi avant de continuer. Vous faites venir des témoins pour critiquer et évaluer ces centres d'accueil, n'est-ce pas?

Le président: Oui.

M. Borrie: Est-ce que les témoins ont tous été nommés ou acceptez-vous les propositions des autres témoins?

Le président: Nous avons décidé d'utiliser cette séance à cette fin. Je les invite et vous les présente.

M. Borrie: Je m'oppose au fait que le Comité directeur prend la décision d'amener des témoins sans donner la chance à quelques députés de mentionner les noms des témoins qu'ils ont peut-être à l'esprit qui pourraient contribuer à communiquer des renseignements précieux au Comité, je pense, au centre d'accueil très progressiste de Dawson Creek en Colombie-Britannique. En raison du succès qu'ils ont obtenus, il me semble que leur contribution serait très utile.

Le président: Personne, je pense, ne veut refuser d'inviter des témoins qui pourraient contribuer de quelque manière et si le Comité le désire, nous pourrions inviter d'autres témoins après la réunion d'aujourd'hui, et nous serions heureux de prendre en considération la proposition qui a été faite.

Toutefois, j'aimerais faire remarquer, monsieur Borrie, que la recommandation du souscomité au sujet de la convocation de ces témoins a été approuvée par le Comité du 25 mars. Tout le comité l'a approuvée. Je ne crois pas que vous étiez présent ce jour-là. Nous avons ajouté un témoin ..

M. Borrie: Non, je participais à un autre comité.

Le président: Nous avons ajouté un témoin, M. Bear Robe, qui, croyons-nous, pourrait nous fournir des renseignements précieux. Nous avons donc décidé de l'inviter. La même chose s'applique à tous. Nous n'essayons pas de retirer quelqu'un. C'est simplement une question de planification des réunions futures,

[*Texte*]

further day to this, then we will take your suggestion.

Mr. Borrie: I think that is fair and reasonable. Thank you.

Mr. Smerchanski: Mr. Chairman, what is the total cost in dollars and cents of the program that is instituted at the present time?

The Chairman: Mr. Smerchanski, I wonder if I could introduce the witnesses first. There is a gentleman here who can answer that question and we could call him as well.

Mr. Smerchanski: In other words, the friendship centre program is under the Department of Indian Affairs?

The Chairman: No, it is not. It is under the Department of Manpower and Immigration.

Mr. Smerchanski: What part does the Department of Indian Affairs play in it?

Mr. Deakon: Let us hear what these witnesses have to say first, Mr. Chairman, and then we can argue about it later on.

The Chairman: Mr. Smerchanski, if you

• 1120

will permit me I will introduce the witnesses and then I will ask the Director of the Citizenship Branch to explain the amount of money that is being spent on this program each year and the relationship of the program to his Department, namely, the Department of the Secretary of State. If you are then interested in finding out the relationship to Indian Affairs, we will ask the gentleman who is here from the Culture and Community Development Division of the Department Indian Affairs, Mr. Rogers, to speak to it.

Mr. Smerchanski: Very good.

The Chairman: We are pleased to have with us this morning Mr. Walter Currie, President of the Indian-Eskimo Association. We are also very happy to have Mr. Joe Keeper, the Executive Director of the Metis Federation of Manitoba. We are also very pleased to have Mr. Andrew Bear Robe, Provisional Chairman of the Friendship Centre Association of Canada, who I understand is going to have some suggestions and criticisms to make as well.

To comply with Mr. Smerchanski's request for information, I would introduce Mr. Jean Lagasse, the Director of the Citizenship Branch, Department of Secretary of State,

[*Interprétation*]

et si nous décidons d'y consacrer une autre journée nous prendrons alors votre point en considération.

M. Borrie: Cela est juste et raisonnable, je pense. Merci.

M. Smerchanski: Monsieur le président, quel est le coût total en dollars du programme jusqu'ici?

Le président: Monsieur Smerchanski, je me demande si je ne devrais pas commencer par présenter les témoins. Quelqu'un pourrait sans doute répondre à cette question. Nous l'appellerons alors.

M. Smerchanski: Autrement dit, le programme des centres d'accueil relève du ministère des Affaires indiennes?

Le président: Non, du ministère de la Main-d'œuvre et de l'Immigration.

M. Smerchanski: Quel est le rôle du ministère des Affaires indiennes?

M. Deakon: Laissez d'abord venir les témoins et nous pourrons débattre la question plus tard.

Le président: Monsieur Smerchanski, si je puis, je vais commencer par présenter les témoins et demander au directeur de la Citoyenneté de nous dire quelle somme d'argent a été affectée à ce programme tous les ans, et le rapport entre les programmes de son ministère et notamment le Secrétariat d'État. Si vous êtes intéressé à découvrir le rapport avec le ministère des Affaires indiennes, nous pourrons le demander au représentant de la Division du développement culturel et communautaire du ministère, monsieur Rogers.

M. Smerchanski: Très bien.

Le président: Nous sommes heureux d'avoir parmi nous, ce matin, messieurs Walter Currie, président de l'Association eskimo-indienne, Joe Keeper, directeur exécutif de la Fédération des métis du Manitoba et Andrew Bear Robe, président provisoire de l'Association des centres d'accueil du Canada qui, il me semble, va nous présenter certaines propositions et critiques.

Au sujet de la demande de monsieur Smerchanski, je vous présente monsieur Jean Lagassé, directeur de la Citoyenneté du Secrétariat d'État et j'aimerais lui demander

[*Text*]

and ask him to give us the amount of money that has been spent on the program and to tell us briefly how they handled this.

Mr. Jean H. Lagassé (Director, Citizenship Branch, Department of Secretary of State): I would like to thank the Committee for the opportunity to speak briefly about the program of friendship centres and to situate it both in regard to time and to the policy of the government.

The friendship centres movement is an idea which was formulated really in the United States. One of the first two really operative centres was what is known as the Green House in Gallup, New Mexico. This centre is located on the edge of the Navajo Reserve, which has over 100,000 Indians. You can imagine the inflow of people coming into Gallup, which is a city of approximately 100,000 population. The city was always complaining that this inflow was disrupting and the Indian population was complaining that there was nowhere in the city that they felt at home. Eventually the Bureau of Indian Affairs built a very substantial $200,000 building where Indians could stop over.

If some of you know New Mexico, you will appreciate the fact that there is a big desert and no water. You could also understand why people living very far away, travelling on horses in those days—and they still do in some places—would find this a pleasant place to stop off. The facilities there were used by about 1,500 Indians a day. That figure indicates the dimension of that particular program.

There was a very similar situation in Chicago where there are some 25,000 people of Indian ancestry. The centre there is a much more cultural type of thing. It was a place for referrals and gave assistance to Indians with special problems coming to Mexico, but its long-range program was mainly cultural.

So you look at this and ask yourself what a similar type of centre would do for Canada. This is what the Winnipeg people did ten years ago and, after much discussion, they came up with the first centre.

The idea spread and was adopted by many other places, and now there are some 24 centres in Canada that have friendship centres.

I took part in the Winnipeg discussion ten years ago. At that time it was very difficult for the members to decide whether or not a friendship centre in Winnipeg should exert most of its efforts on cultural activities, thereby making it an attractive place for people of different ethnic origins to go. One could

[*Interpretation*]

de nous exposer très brièvement quelles sont les sommes d'argent affectées au programme et comment cet argent est administré.

M. Jean H. Lagassé (chef de la Citoyenneté, Secrétariat d'État): Je remercie le Comité de me fournir l'occasion d'adresser quelques mots au sujet du programme des centres d'accueil, et de les situer tant dans le temps que dans le cadre de la politique du gouvernement.

Le mouvement des centres d'accueil a pris naissance aux États-Unis. Un des deux premiers centres est connu sous le nom de GreenHouse à Gallup, (Nouveau-Mexique). Le centre était situé sur la lisière d'une réserve ravagée qui comptait plus de 100,000 indiens. Vous pouvez vous imaginer le nombre de gens qui entraient dans Gallup, ville de 100,000 habitants environ. La population se plaignait que ce mouvement bouleversait la ville et la population indienne ne se sentait pas à l'aise dans la ville. Le bureau des affaires indiennes a finalement construit un immeuble de $200,000 pour que les Indiens puissent s'arrêter.

Si vous connaissez la configuration du Nouveau-Mexique, c'est un pays désertique où les distances sont très grandes. Vous pouvez voir le rôle que pouvait jouer ce Centre dans un milieu comme celui-là. Les gens qui habitaient très loin, voyageant alors à dos de cheval, comme cela se fait encore, y trouvaient un refuge. Il était fréquenté par 1,500 Indiens par jour. Ce chiffre donne la dimension de ce programme. A Chicago, il s'est produit une situation semblable pour plus de 25,000 habitants d'origine indienne. Ici, il s'agit d'un centre plus culturel. Il s'agissait d'aider les Indiens en provenance du Mexique qui avaient des problèmes particuliers—mais ce programme à long terme était surtout culturel.

On peut se demander comment cela peut s'appliquer au Canada? C'est ce qu'a fait la population de Winnipeg il y a dix années et après moultes discussions, ils ont construit le premier centre.

Ensuite, l'idée s'est répandue et a été adoptée par plusieurs autres endroits et nous comptons maintenant 24 centres d'accueil au Canada.

Si on se place dans le contexte des entretiens qui ont eu lieu à Winnipeg il y a une dizaine d'années, et auxquels j'ai participé, il était très difficile de décider si le Centre de l'amitié devait concentrer ses efforts du côté culturel, comme pôle d'attraction des personnes des différentes origines ethniques. Toute

[*Texte*]

foresee a whole range of activities in such a centre supporting the cultures of the majority groups. We asked ourselves whether that • 1125

should be the type of thing a friendship centre should be. Many people said yes, that is primarily what they needed. However, others saw a lot of personal problems occurring amongst people of Indian ancestry.

They saw a wife being alone while awaiting her child in a Winnipeg hospital, not quite knowing where to go or perhaps having lost her money and so on. Some said that these are the kind of things to which a friendship centre should direct its efforts. I suppose such a centre could look after the needs of both groups, but the looking after of intense personal problems creates an atmosphere in a building that is not in harmony with the other atmosphere of creating a jovial, cultural place. So, because this has never been resolved, the centres try to do both. In fact, there is quite a change between the clientele during the day and at night, the night activities being mainly cultural in nature and the day being set aside for referrals, solving problems, counselling and so on.

So we started off from there and the first thing we realized is that many people experience problems with the courts. To put it another way, the courts claim to have problems with Indians, but the fact is that there is a big gap in mutual understanding. So the friendship centre thought that if one of their representatives became involved in this aspect of the problem it might prove beneficial to all concerned. However, you must realize that court workers came under the regular provincial department's program. For example, courts have people who do pre-sentence reports, parole and probation work. In a sense, a court worker with a friendship centre is doing this type of thing. But again, because there are a lot of things that people do not understand about Indian culture, unless these agencies employ Indians to do that type of work it is most unlikely that others will ever understand the kind of thing that one needs to understand to do effective work in such situations.

The friendship centre naturally felt they could fill this need and they became involved. Often they went to the appropriate government agencies, asked and received funds for this purpose. At other times they did not; but the service being so essential they provided it anyway, thereby raising their costs of operation and eventually having to say that they did not have sufficient funds.

Of course, this program has worked fairly well—you have had testimonials to that effect. I recall Chief Taft in Winnipeg saying that

[*Interprétation*]

une gamme d'activités culturelles était possible. On s'est demandé si cela devait être le rôle du Centre d'accueil, et pour beaucoup de gens c'est encore le but principal. Mais il y a aussi un grand nombre de problèmes personnels à régler pour les personnes d'origine indienne.

On a déjà vu une femme attendre seule son bébé à l'hôpital, sans savoir où s'adresser ou avoir perdu son argent et ainsi de suite. Pour certains, c'est le genre de choses dont le centre d'accueil peut s'occuper. J'imagine qu'un centre de ce genre pourrait se préoccuper des besoins des groupes car en s'occupant trop de problèmes personnels, cela crée une atmosphère qui n'est pas en harmonie avec le désir de créer un endroit joyeux et culturel. Étant donné que cela est resté sans solution, les centres cherchent à atteindre ces deux objectifs. Le soir, par exemple, on se concentre sur les activités culturelles et durant le jour, sur les problèmes particuliers.

On s'est vite rendu compte que beaucoup de gens qui se présentent ont des problèmes avec les tribunaux, ou si vous le voulez, les tribunaux ont des problèmes avec les Indiens. En fait, il y a un manque de compréhension mutuelle. Le Centre d'accueil s'est dit que s'il pouvait y envoyer un représentant, cela bénéficierait à tous. Il faut comprendre, toutefois, que les fonctionnaires réguliers des tribunaux relèvent du programme régulier du gouvernement provincial. Par exemple les fonctionnaires provinciaux s'occupent de la libération conditionnelle des rapports précédents, la sentence, etc. Mais parce qu'il y a bien des choses que les gens ne comprennent pas au sujet de la culture indienne, à moins que ces organismes emploient des Indiens pour exécuter ce travail, il est très improbable qu'on finisse par comprendre suffisamment les problèmes pour faire un bon travail.

Nous nous sommes donc orientés de ce côté. On a donc demandé des fonds au gouvernement. Parfois on les a obtenus. Mais les coûts ont fini par monter et on s'est trouvé à manquer d'argent.

Naturellement, ce programme a assez bien marché, et vous en avez des preuves. Je me souviens du chef Taft à Winnipeg qui disait

[*Text*]

since the friendship centre had been providing court workers the number of commitments to jail had decreased noticeably; in fact, even the number of people of Indian ancestry appearing before him had decreased noticeably. The Chief of Police in Regina made a similar comment. There is much evidence of the usefulness of this service. The question is whether or not such a service should not be integrated with the government service and paid for, and that a special effort be made to have people of Indian ancestry in those jobs. Problems sometimes arise when a friendship centre, mainly a private agency, has to rely on the ability of the community or the willingness of individuals to donate funds and make donations to carry on and provide a standard type of government service comparable to that which court workers provide, which is funded through taxation and which perhaps is an easier way of doing it.

However, be that as it may, friendship centres have a history that is different in each community—they serve very different situations. The situation at Misstassini is much different than the one at Chibougamau where they are talking about starting a friendship centre. You have a population there of 1,400 Crees whose language is mainly Cree or Cree and English. Chibougamau is French and English but overwhelmingly French. Indians come there to hospitals, go through there to high schools, go through there to change from a trapping area to a fishing area, and also come and shop there. In any given day there may be as many as 45 or 50 people of Indian ancestry come into Chibougamau, probably having to stay overnight as it is a lengthy trip by canoe or walking, and go back the next day.

A group of citizens have organized a non-profit organization and are thinking of putting up a place with 15 beds where there would be stay-over facilities, plus educational and recreational programs, and so on. You need that type of program in Chibougamau, but if you were in a place like Vancouver where there is plenty of sleeping accommodation, hotels, and so on, you might not need the same kind of facilities. When you talk of friendship centres, there are many different kinds of things that are required. This is just the background.

Speaking specifically in terms of numbers, I have mentioned that there are 24 friendship centres and perhaps it might be of interest to you to have them by province. I will qualify these numbers of centres a bit later in view of what you said earlier. There are three in British Columbia, five in Alberta, four in Saskatchewan, seven in Manitoba, four in

[*Interpretation*]

que depuis que les centres d'accueil envoyaient des représentants devant les tribunaux, le nombre des condamnations avait sensiblement diminué. Le chef de police de Regina a donné un commentaire analogue. Par conséquent, tout semble indiquer que ce service est utile. Quant à savoir s'il faut le considérer comme un service régulier du gouvernement à intégrer aux autres services et de faire un effort spécial pour occuper ces postes par des personnes d'origine indienne. Les problèmes surviennent parfois, du fait qu'il doive compter sur la générosité de la communauté et les souscriptions du public pour arriver à remplir ce rôle.

Quoi qu'il en soit, les centres d'accueil ont une histoire différente dans chaque collectivité et sont placés dans des situations tout à fait différentes. A Mistassini, la situation est très différente de celle de Chibougamau où l'on parle d'ouvrir un centre d'accueil. Il y a une population de 1,400 Cris dont la langue est principalement le cri ou le cri et l'anglais. A Chibougamanu, on parle français et anglais, mais surtout français. Les Indiens y viennent à l'hôpital, à l'école, pour changer d'un secteur de trappage à un secteur de pêche, et aussi pour magasiner. Il peut y avoir de 40 à 50 personnes d'origine indienne qui viennent à Chibougamau et qui doivent y passer la nuit car c'est un long voyage en canoë ou à pied et retourner le jour suivant.

Un groupe de citoyens a mis sur pied une organisation sans but lucratif et songe à aménager un endroit où il y aura 15 lits et où les voyageurs pourront passer la nuit, des programmes éducatifs et récréatifs, etc. Il faut un programme de ce genre à Chibougamau, mais si vous étiez dans un endroit comme Vancouver, il y a suffisamment d'endroits pour dormir, d'hôtels et ainsi de suite, vous n'auriez peut-être même pas besoin des mêmes aménagements. Quand on parle des centres d'accueil, il vous faut beaucoup de chose. Ceci n'est que l'historique.

J'ai déjà dit qu'il y avait 24 centres d'accueil. il vous intéressera peut-être d'en connaître la décomposition par province. J'expliquerai ces chiffres un peu plus tard. En Colombie-Britannique, on en compte trois, en Alberta 5, en Saskatchewan 4, au Manitoba 7, en Ontario 4 et un au Yukon. J'ai dit que j'apporterais certains détails à ce sujet. En fait,

[*Texte*]

Ontario and one in the Yukon. I said I would qualify these figures. In effect these are the friendship centres which we have assisted financially from a total budget which was voted to us for this purpose of about $100,000 a year. There are other centres operating. In Winnipeg, for example, I suppose you could say that the Indian-Metis United Church Reception Lodge is a friendship centre and it refers to itself a bit that way. There is the Presbyterian Fellowship House operated by the Presbyterians that is also operating as a friendship centre. In addition to that, there is the St. John Bosco Centre, which is operated by the Catholics. Then there is the friendship centre we talked about earlier, which is the one we assist with the finances we have.

The policy has been to set a number of standards that regulate the way we will spend our funds. However, in each province there are many other centres, or places that I suppose you would call friendship centres, which do not meet that criteria but may well be doing excellent work which, as I say, probably all of them do. You see, we say that they have to offer transitional services, it has to be to help people establish themselves in a town, thereby necessitating that the people who are operating it accept as a desirable goal the increase in the number of people of Indian ancestry who will live in our town. The people in a number of places, especially at the beginning, were saying, "We will need a friendship centre because the people here are causing a problem.

If you could find some way of dealing with them separately, then the town could live not just to make it possible for the Indians to live fairly happily on its own". We say that it is not just to make it possible for the Indans to come for a while and then go back home. You say you want Indians to establish here if they so wish. The friendship centre is going to help that take place. Also when you raise funds it is a stated objective, and when you go to the city or to the Red Feather agencies for funds it is known that this is what you are going to be doing. While this is not too much of a problem now, at the beginning people had to ask themselves if this was really what they wanted. If you go back five or ten years in time you will see that there were a lot of attitudes on the part of the general public that were not conducive to this kind of conclusion.

• 1135

Another thing we say is that the administration of friendship centres, as much as possible, has to be by people of Indian ancestry. If you think of the cultural part that we

[*Interprétation*]

ce sont les centres que nous avons aidés financièrement à même un budget global d'environ $100,000 voté chaque année à cet effet. Il y a d'autres centres. A Winnipeg, par exemple, la *United Church Reception Lodge* pour les Indiens et les métis est un centre, qui se dit tel, le *Presbyterian Fellowship House* aussi. En plus, il y a le centre Saint-Jean-Bosco pour les catholiques et il y a aussi le centre d'accueil dont nous avons déjà parlé et que nous finançons.

La politique a été de déterminer des normes pour régir la façon dont les fonds seraient distribués. Toutefois, dans les provinces il y a d'autres centres ou endroits qu'on pourrait appeler aussi des centres d'accueil et qui font de l'excellent travail même s'ils ne répondent pas aux critères. Ce sont des services de transition. Ils aident les gens à s'établir dans la ville, et exigent des gens qui s'en occupent d'accepter non seulement d'augmenter le nombre de personnes d'origine indienne qui vivront dans la ville. Dans plusieurs endroits les gens disaient au début qu'ils auraient besoin de centres d'accueil parce que les gens causent des problèmes.

Si vous pouviez trouver un moyen de vous en occuper la population de la ville pourrait vivre heureuse. Ce n'est pas seulement pour permettre aux Indiens de venir pendant un certain temps et de retourner dans leur réserve. Vous dites que vous voulez qu'ils s'établissent ici s'ils le désirent. Les centres d'accueil doivent les y aider. Si vous voulez recueillir des fonds, vous vous ferez un objectif. Lorsque vous demandez de l'argent à la ville ou à la Fédération des Oeuvres on sait quelles sont les œuvres que vous entendez favoriser. Au début, les gens se sont demandés si c'était réellement ce qu'on voulait, mais le problème n'existe presque plus maintenant. Si vous remontez à cinq ou dix ans en arrière vous constaterez que l'attitude du public en général n'y contribuaient pas.

En outre, l'administration de ces centres, doit être faite dans la plus grande mesure possible par des gens d'ascendance indienne. Nous avons parlé du côté culturel et à cette

[*Text*]

talked about, if that is going to be one of the roles of the centre, it is essential that there be as many people of Indian ancestry in the administration of the centre as possible, and "as possible" in some places may mean totally. In other places there may not be quite enough people in the town to staff a board. Take a place like Broadview, Saskatchewan, which is a small town. If you need a board there you may find that there are many reasons for wanting to have a mixed board so that all the interests in the town are part of the board. In Chibougamau right now the board have stated very clearly in their submission that their goal is to have as many people of Indian ancestry as possible on the board. However, these people are mainly from out of town. I think their estimate suggests there is only one family of Indian ancestry living permanently in Chibougamau, and I do not know if that is accurate, and that person is already part of the board. When there are more people living in Chibougamau there will be more people on the board. So, these are some of the things that we keep in mind.

The other factor, of course, is the amount of money voted for the program, and this influences how much we can give to each place. If we have 24 places that qualify under the rules, then it has to be spread according to the size of the operation. We also say that funds are given if the support by the population of the place where the centre operates is consistent with the manner things are done in that community. It is easy to make a more general rule than this, but the fact is we know that in The Pas, Manitoba, with the best goodwill in the world, it would not be as easy to raise a substantial amount of money for a friendship centre as it might be in Edmonton or Winnipeg.

However, in The Pas you have a situation which is much more intense than it is Winnipeg, so should you say that because the service clubs there can only raise $300—or whatever it is, the Chamber of Commerce, the city can only pay so much—we will only pay so much as well. We obviously have to keep in mind the dimensions of the problems and in each case we evaluate them—and this is the last comment I want to make here—and we have tried with this program, because of the very local nature of the problem, to have it administered as close to home as possible.

We have tried to achieve this by proposing to the provinces where there are centres that we will reimburse them for 50 per cent of the grants they give to the friendship centres. Friendship centres used to come to the prov-

[*Interpretation*]

fin, il est essentiel qu'il y ait autant de gens que possible d'ascendance indienne dans l'administration. Et dans certains endroits, cela veut dire le personnel tout entier. Dans d'autres, il n'y en a peut-être pas suffisamment de gens pour former tout le conseil, comme à Broadview (Saskatchewan), une toute petite ville. S'il vous faut un conseil il y a plusieurs raisons pour désirer un conseil mixte car tous les groupes de la population sont représentés. A Chibougamou, le conseil a indiqué très clairement que son objectif est d'avoir autant de gens d'ascendance indienne que possible au sein du conseil. Ces gens viennent principalement de l'extérieur de la ville. Je crois que d'après leurs statistiques, il n'y a qu'une famille d'origine indienne qui vit en permanence à Chibougamou mais je ne sais pas si ce renseignement est exact ou non, et cette personne fait partie du conseil. Lorsqu'il y aura plus d'Indiens qui y vivront, ils seront mieux représentés au sein du conseil. Ce sont quelques éléments dont nous tenons compte.

L'autre facteur est naturellement la somme votée pour le programme et cela détermine la somme que nous pouvons attribuer à chaque endroit. S'il y a 24 endroits, il faudra répartir d'après la règle, les sommes suivant l'importance des centres. Nous disons également que les fonds sont attribués s'il y a un appui de la population de l'endroit où le centre est aménagé. Il est facile de faire une règle plus générale, mais le fait est que nous savons qu'au Pas au Manitoba, avec la meilleure bonne volonté du monde, il ne serait pas aussi facile qu'à Edmonton ou à Winnipeg de recueillir une somme substantielle pour un centre d'accueil.

Pourtant, au Pas la situation exige beaucoup plus d'efforts qu'à Winnipeg. Si les centres sociaux peuvent recueillir, par exemple, seulement $300, il nous faut combler la différence avec l'argent de la Chambre de Commerce, de la municipalité et le nôtre. Il faut tenir compte des dimensions du problème, et dans chaque cas, nous en faisons une évaluation, et voici maintenant la dernière observation que je désire faire, et à cause de la nature strictement locale du problème, nous avons voulu que ces centres soient administrés aussi près de la localité que possible.

Nous avons proposé aux provinces un accord aux termes duquel nous rembourserions à la province 50 p. 100 de la subvention versée aux centres d'accueil. Ces centres avaient l'habitude d'avoir un budget tout à

[*Texte*]

ince with the story that they were never sure when they got money from one that they would get it from the other, thereby making their budget extremely unsteady, and this would reflect itself in the recruiting of staff because people never knew when they were going to get paid. So, the three Prairie Provinces have signed an agreement in this respect, but the other two have not signed it yet. Where the agreement is in force it also stipulates that an advisory committee will be established which is to be made up of somebody from the provincial department who has that responsibility, plus one person from each of the friendship centres that benefit from the agreement. The way these committees operate is that they meet three or four times a year, they review the problems and the progress and they provide a platform where problems can be diagnosed, and this guarantees a certain degree of uniformity and quality of service. The committee is not the final authority

• 1140

which decides on the amount of money which will be given, but nevertheless I think their operation has a fairly beneficial influence on the quality of the friendship centres that exist in the provinces. I think in terms of general information this is about all I wish to say at this stage.

The Chairman: Thank you very much, Mr. Lagassé. Just to close this off, could you give us the total amount that you spend each year?

Mr. Lagassé: I mentioned that the amount that was made available in the vote last year was $100,000. This is part of a vote of citizenship program grants which totals in our branch close to $1 million. It is for a number of things such as immigrant integration. Last year it was used for French-English relations, although this year's budget has a separate vote for that. Within it we can make a few transfers and last year, because of the very heavy demand, we were able to add some money to that original vote and the total amount actually given in the last fiscal year was $121,000.

The Chairman: Thank you, Mr. Lagassé. May we hear from you, Mr. Currie.

Mr. Walter Currie (President, Indian-Eskimo Association, Toronto): Thank you. I am glad you gentlemen let Jean jump off. This gives the three of us a chance to organize our thinking and to have some idea why we are here. I must admit that I come funda-

[*Interprétation*]

fait incertain, parce qu'ils ne savaient pas s'ils pourraient trouver des fonds et le personnel n'était pas régulier, car le salaire n'était pas toujours assuré. Les trois provinces des Prairies ont signé un accord, mais les deux autres ne l'ont pas encore fait. Là où l'accord est en vigueur, on a stipulé qu'on allait établir des comités consultatifs composés d'un représentant du ministère provincial qui est chargé de cette question, d'une autre personne de chaque centre d'accueil de la province qui jouit de cet accord. Ces comités se réunissent trois ou quatre fois par année, font un examen des problèmes et des réalisations, en dressent le diagnostic, et cela garantit un certain degré d'uniformité et de qualité du service. Le comité n'a pas la compétence définitive de décider quelle somme d'argent sera attribuée à un centre, mais il exerce une influence profitable, je pense. C'est à peu près tous les renseignements que je peux vous communiquer maintenant.

Le président: Je vous remercie, monsieur Lagassé. Pour terminer, voulez-vous nous donner la somme totale que vous dépensez par année?

M. Lagassé: J'ai mentionné que la somme votée l'an dernier était de l'ordre de $100,000. Cela fait partie du crédit des subventions au programme de la citoyenneté, et qui s'élève à 1 million. Ce crédit touche à un certain nombre de questions, comme l'intégration des émigrants; mais l'an dernier, on s'en est servi pour les relations franco-anglaises, bien qu'il y ait un crédit distinct dans le budget de cette année. On peut donc faire des transferts et l'année dernière à cause de la très forte demande, nous avons pu ajouter certaines sommes à ce poste initial et la somme de l'année fiscale qui vient de s'écouler était de $121,000.

Le président: Merci, monsieur Lagassé. Voulez-vous nous donner quelques détails, monsieur Currie?

M. Walter Currie (président de l'Association indienne-esquimaude de Toronto): Merci. Je suis content que vous ayez laissé Jean quitter la discussion. Nous pouvons maintenant réunir nos pensées et expliquer pourquoi nous nous trouvons ici. Je dois avouer que je

[*Text*]

mentally ill prepared so what I talk to you about will come off the top of my head from my memory. I hope it does not fail me.

I would like to say first of all that not only am I President of the Indian-Eskimo Association of Canada, I am Chairman of the Board of the Canadian Indian Friendship Centre of Toronto. As you gentlemen are highly interested in money, our budget is $47,000 a year. Of this $47,000 the federal government has been kind enough to give us $13,000. We squeezed $11,000 out of Ontario last year, and we are getting only $11,000 this coming year, we understand from the grapevine.

The city of Toronto also gives us $5,000 a year to pay for the hiring of a court worker. This amount of $5,000 has never been changed since we first used a court worker back in 1961. Each year we ask for more and this year we hope to get more. At the same time we have finally managed to come under the United Appeal. This will be our third session with them and our funds from that source are $12,000 per year, which gives us a total of $41,000 in round figures.

The remaining $6,000 to $7,000 we raise by self help; for example, the sale of Christmas cards, donations and speaking engagements whereby we arouse the sympathies of the listeners and they give us money. A fine example of our self help is the fact that we own our friendship centre and we own the property on which it is located in downtown Toronto, and the $50,000 it cost us was raised through private donations. We have a full-time staff of six people, of whom two are non-Indian—the other four are Indian—and two part time help. I was not aware, Jean, that the province got back half of the money that they gave to the centres. Does this apply to Ontario?

Mr. Lagassé: No, it does not apply to Ontario as there is no agreement between us.

Mr. Currie: Fine.

Mr. Lagassé: You will have noted that the amounts that we give are very similar.

Mr. Currie: Gentlemen, my concern at the moment is that the topic, friendship centres, is a most vital one but to me it is a small segment, an important segment, of a total picture. To me there is a far greater problem staring us in the face and that is the people we call the migrating native persons—Indians coming to the city, Indians leaving the

[*Interpretation*]

ne suis pas préparé, je vous donne mes impressions et je vous parle de mémoire. J'espère qu'elle me sera fidèle.

Je voudrais ajouter qu'étant président de l'Association des Indiens et des Esquimaux du Canada, je suis également président de la Commission des directeurs des centres d'accueil des Indiens à Toronto. Notre budget est de $47,000 par année. De ce $47,000, le gouvernement fédéral a eu la bonté de nous attribuer $16,000. L'Ontario nous a donné $11,000 l'an dernier et nous n'aurons que $11,000 l'année prochaine. La ville de Toronto nous donne $5,000 par année pour payer le salaire d'un travailleur social auprès des tribunaux. Nous utilisons ses services depuis 1961. Nous demandons chaque fois que l'on hausse ces chiffres, et cette année nous espérons obtenir davantage. Nous avons réussi à faire inclure nos demandes dans le budget des œuvres fédérées de charité. Ce sera notre troisième session avec eux et notre argent de cette source est de $12,000 par an, ce qui nous donne un total de $41,000 en chiffres ronds.

Nous recueillons le reste nous-même, soit de $6,000 à $7,000, par exemple en vendant des cartes de Noël, en obtenant des dons personnels, et lors de discours prononcés par nos membres, nous éveillons la sympathie des auditeurs, qui nous font aussi des dons. La preuve que nous nous aidons nous-mêmes, c'est que nous sommes propriétaires de notre centre d'accueil et du terrain sur lequel il est situé dans le centre-ville de Toronto. Nous avons obtenu les $50,000 que cela nous a coûté de dons de particuliers. Nous avons un personnel à plein temps qui comprend six personnes, dont quatre Indiens, et nous avons deux employés à temps partiel.

Je n'étais pas au courant, Jean, que la province récupérait 50 p. 100 de ses dons aux centres. Est-ce le cas en Ontario?

M. Lagassé: Non, cela ne s'applique pas en Ontario, parce qu'il n'y a pas d'entente entre nous et la province.

M. Currie: Très bien.

M. Lagassé: Vous allez noter que les sommes que nous vous attribuons sont très semblables.

M. Currie: Voici ce qui m'inquiète présentement: le sujet des centres d'accueil revêt une très grande importance mais ce n'est qu'un petit secteur bien qu'un petit secteur important d'une étude. Il y a un problème beaucoup plus épineux, c'est celui des gens que nous appelons les Indiens en migration, qui quittent les réserves et émigrent vers la

[*Texte*]

reserve communities, Indians leaving the Metis communities, Indians appearing out of nowhere into our urban centres. What is being done for them.

This is a far, far greater problem. Friendship centres in essence, as Mr. Lagassé has pointed out, have to a certain extent tried to fulfil a role. This is an impossibility. Friendship centres cannot and should not be expected to do something which public and private

• 1145

agencies are already equipped, staffed and fundamentally financed to do. I think that to discuss merely friendship centres is missing the far greater point.

Every day native people arive in our urban centres. Every day they end up in the courts, in hospitals, in welfare centres, in soup lineups—we find them all over the city. At the same time, too many of them turn around and go back to the reserves when they find that they cannot cut the mustard in our urban centres because society, which is you and me, has failed to prepare these people to live and to exist in our urban centres as citizens who will be accepted at their face value as human beings. There is a far greater demanding role which needs to be fulfilled.

We can spend quite a bit of time in discussing this and I think we should. I am going to leave it right there, and if you want to pick it up I will be glad to get into a dialogue with you, and I am certain that the other gentlemen around here will also.

Mr. Cullen: You have indicated that the Indian has this problem. I think it is also true that the white man has the same problem, perhaps not to as great a degree but to a certain degree—the farm boy who leaves the farm, who has lived in a small community all his life. These are the fellows who so often get into difficulty when going into the larger centres. They have certain facilities, I know, available to them—welfare work, court workers and probation officers. Unfortunately these people usually come to them after they get into trouble and not before.

I am trying to understand. I cannot see the significance of comparing your friendship centres to the cultural centres—the Ukrainian hall and the Yugoslav hall—because usually these are all the people in the community and they go there for their entertainment, their fun, and to keep their culture. In the kind of centre that I saw, and I was very impressed with your centre in Toronto, you seemed to be trying to do a multitude of jobs. You should have about five court workers there.

[*Interprétation*]

ville, ceux qui quittent les centres de Métis, et qui viennent de l'on ne sait où pour travailler dans les centres urbains. Que fait-on pour eux?

Voilà un problème beaucoup plus épineux. Les centres d'accueil, comme l'a souligné M. Lagassé, ont essayé essentiellement de remplir un certain rôle auprès de ces gens. C'est impossible. Les centres d'accueil ne peuvent pas et on ne doit pas s'attendre d'eux qu'ils remplissent un rôle pour lequel les agences publiques et particulières ont déjà le personnel, le matériel et l'argent voulus. Et ne discuter que les centres implique que vous ne discutez pas de l'ensemble du problème.

Tous les jours, il y a des aborigènes qui arrivent dans les centres urbains. Tous les jours, ils sont traduits devant les tribunaux, ils deviennent des patients dans les hôpitaux, ils deviennent des assistés sociaux. On les voit à l'œuvre de la soupe et à la grandeur des villes et trop d'entre eux rentrent dans leurs réserves lorsqu'ils constatent qu'ils ne peuvent pas s'intégrer au milieu urbain parce que la société, c'est-à-dire vous et moi, n'a pas préparé ces gens à exister dans nos centres urbains à titre de citoyens, et qui seront acceptés comme des êtres humains. Il y a un rôle beaucoup plus important que nous devons remplir. Nous pouvons passer beaucoup de temps à discuter ce problème-là et il me semble que nous devrions le discuter. C'est tout ce que j'ai à dire et si vous voulez reprendre, je suis prêt à répondre à vos questions.

M. Cullen: Vous avez indiqué que l'Indien fait face à ce problème. Il est vrai également que le Blanc doit faire face aux mêmes problèmes, c'est-à-dire le garçon du cultivateur qui a toujours habité un village et qui arrive dans un centre urbain, celui qui se trouve acculé à des difficultés. Je sais qu'il y a des services, il y a des fonctionnaires auprès des tribunaux qui les aident; mais malheureusement ils ne reçoivent cette aide qu'après avoir été traduits devant les tribunaux. J'essaie de comprendre mais je ne vois pas pourquoi l'on comparerait les centres culturels ukrainiens ou yougoslaves aux centres d'accueil des Indiens. Le genre de centre que j'ai vu, et votre centre de Toronto m'a bien impressionné, me semble essayer de remplir un grand nombre de rôles. Vous devriez avoir au moins cinq spécialistes en assistance sociale auprès des tribunaux. Est-ce que le problème indien est tellement spécial qu'il faut y voir de façon particulière ou est-ce que le gouvernement ne pourrait pas voir aux problèmes qu'éprouvent les gens qui arrivent

[*Text*]

In a long-winded way I am trying to ask whether the Indians' problem is unique and has to be treated in a special way, or could the government treat all people who come into urban centres through one clearing house, one assistance agency?

Mr. Currie: This is a possibility, if you had such a joint agency which had involved in it a good number of Indian people on staff at an equitable salary regardless of their educational background. In other words, there is a great need for agencies to become aware of these people we call Indians and Eskimos, to understand them, and this can only be based upon knowledge in which the average Canadian citizen is tremendously lacking, and I will include M.P.'s in this statement. Until this lack of knowledge is eliminated, and until an understanding is created upon a basis of knowledge, our agencies can not meet the needs of these people who are arriving in town.

Gentlemen, in the Province of Ontario, out of 14,000 treaty Indians who are at present in school—which is one in four of the total treaty population in Ontario—only 35 are in Grade 13, and this is tops in Canada, provincially. At the same time, this is an improvement. When people who are fathers of such youngsters, and brothers and sisters of such youngsters, arrive in our urban centres with such an obvious lack of educational preparation, they are beaten from the moment they step across that city line. Too many of our Indian people come into our cities hoping for a better way of life and looking for a better way of life, but in too many cases they find themselves even further down the economic totem pole.

Mr. St. Pierre: On a point of order, Mr. Chairman, I do not know if other members of the Committee would agree with me, but I would find it much more satisfactory to hear all the witnesses before we begin to question individuals.

The Chairman: If that is the wish of the Committee, we will proceed that way. Is it the wish of the Committee that we hear all the witnesses before we start questioning?

Some hon. Members: Agreed.

• 1150

The Chairman: Mr. Keeper?

Mr. Keeper is Director of the Metis Federation of Manitoba.

Mr. Joe Keeper (Executive Director of Metis Federation of Manitoba): Mr. Chairman, hon. members, the President of the

[*Interpretation*]

dans les centres urbains au moyen d'une œuvre sociale?

M. Currie: Cela serait possible, si vous aviez une agence conjointe de ce genre et que plusieurs Indiens fassent partie du personnel et reçoivent un salaire équitable, quelle que fût leur formation. En d'autres mots, il y a un grand besoin d'agences qui reconnaissent le problème de ces gens que nous appelons les Indiens et les Esquimaux. Il faut qu'elles se rendent compte des problèmes de ces gens-là. Les citoyens canadiens et les députés ne comprennent pas ces problèmes-là. Jusqu'à ce qu'on élimine ce manque de compréhension et qu'on acquière certaines connaissances à ce sujet, nos agences ne pourront pas tenter de subvenir aux besoins des gens qui arrivent dans les centres urbains.

En Ontario, des 14,000 Indiens touchés par les traités et qui vont présentement à l'école, il n'y a que 35 qui atteignent le niveau de la treizième année. Ceci est vrai partout au Canada et c'est une amélioration comparée à la situation dans le passé.

Et quand des pères, des frères et des sœurs d'enfants de ce genre-là arrivent dans un centre urbain avec ce manque aussi marqué de formation éducative, ils sont acculés au pied du mur dès le moment qu'ils entrent dans les villes. La plupart de nos Indiens viennent dans les centres urbains à la recherche d'un meilleur niveau de vie mais ce qui arrive c'est que leur situation s'empire.

M. St-Pierre: Je ne sais pas si les membres du comité sont d'accord avec moi mais il me semble qu'il serait beaucoup plus satisfaisant d'entendre tous les témoins avant qu'on les interroge chacun individuellement.

Le président: Si le Comité le désire, nous allons procéder ainsi. Voulez-vous entendre tous les témoins avant de poser des questions?

Des voix: D'accord.

Le président: Monsieur Keeper? M. Keeper est le Directeur de la fédération des Métis du Manitoba.

M. Joe Keeper (Directeur exécutif de la fédération des Métis du Manitoba): Monsieur le président, honorables députés, le président

[*Texte*]

Manitoba Metis Federation, Reverend Adam Cuthand, regrets that he is not able to appear before this Committee today. He has asked me to appear in his place. My name is Joe Keeper and I am the Executive Director of the Manitoba Metis Federation. Perhaps this term Metis may be a bit strange to some of the people that are here today. I have not the time to go into the historical background of the name "Metis", but in Western Canada we have Metis, people who are recognized as people of Indian background but who do not have a status position in government recognition. By this I mean that they are nonregistered Indians. In fact, in Ontario I do not think there is this difference between status and nonstatus Indians, but in Western Canada, because of history, there is a difference between the status and nonstatus Indians and the term that is generally used for nonstatus Indians is "Metis".

I am quite happy to be able to speak on friendship centres because, as Mr. Lagassé pointed out earlier, I am from the birthplace of the friendship centre movement in Canada. I think the term "movement" lends itself very well to what friendship centres are in Canada, because I believe they are a movement. I believe also that friendship centres are a concrete and perhaps most significant example of the interest of concerned people from all segments of the Canadian society in any particular community.

As Mr. Lagassé pointed out earlier, we have seven centres in Manitoba at the present time. The federal government, through the Citizenship Branch, funds the friendship centre movement in Manitoba to the extent of $30,000. To lead on to what my friend Walter Currie was saying, I believe that if this concern upon which friendship centres are founded could be extended into the operations of the total delivery system, centres could play an even more significant role in the total pattern of Canadian society today.

By "extended" I mean not that interested citizenry play any lesser part in the friendship centre movement. This is where I think people like you, who are the legislators of the laws of Canada both at the federal and the provincial levels, can contribute to an interested and concerned service delivery system that could play an even greater part in services for Indian people.

There is a role the friendship centres are playing today and this has been mentioned before—this transitional role where it works with Indian and Metis people moving from the rural into the urban environment, and this is happening more and more every day.

[*Interprétation*]

au Manitoba n'a pas été capable de venir ici aujourd'hui. Il m'a demandé de le remplacer. Mon nom est Joe Keeper. Je suis Directeur exécutif de la Fédération des Métis du Manitoba. Peut-être que le terme de Métis semble un peu étrange à certaines personnes qui sont présentes aujourd'hui. Je n'ai pas le temps de vous exposer l'historique du mot «Métis», mais dans l'Ouest du Canada, nous avons des Métis, des gens d'ascendance indienne reconnue qui n'ont aucun statut comme tel vis-à-vis du gouvernement. J'entends par là, qu'ils sont des Indiens non inscrits. De fait, en Ontario, je crois qu'il n'y a pas de différence entre Indiens inscrits et non inscrits, mais dans l'Ouest du Canada, pour des raisons historiques, on établit cette distinction. Le mot qu'on emploie généralement pour les Indiens n'ayant pas le statut d'Indiens et le mot «Métis».

Je suis très heureux de vous renseigner sur les centres d'accueil, parce que, ainsi que M. Lagassé l'a signalé tantôt, je viens de l'endroit où a pris naissance le mouvement qui a produit les centres d'accueil au Canada. Je crois que le terme «mouvement» décrit assez bien ce que sont les centres d'accueil au Canada, car à mon avis, il s'agit bien d'un mouvement. Je crois également que les centres d'accueil sont un exemple concret de dévouement manifesté par différentes couches de la population canadienne pour le bien-être d'une collectivité donnée.

Nous avons sept centres d'accueil au Manitoba à l'heure actuelle. Le gouvernement fédéral, par l'entremise de la Direction de la citoyenneté, finance les centres d'accueil en leur accordant une subvention de $30,000. Ceci m'amène à ce que disait mon ami Walter Currie. Je crois que si on pouvait étendre au système global d'assistance sociale l'idéal sur lequel repose la création des centres d'accueil alors ces centres pourraient jouer un rôle encore plus important dans le fonctionnement harmonieux de la société canadienne actuelle. Je ne veux pas dire par là qu'il faudrait réduire la participation des citoyens dévoués au sein de ce mouvement. Voici un cas où ceux qui font les lois au Canada, aux niveaux provincial et fédéral, pourraient venir en aide à une organisation d'assistance sociale qui se consacre au bien-être des Indiens.

Les centres d'accueil jouent un rôle important à l'heure actuelle, ainsi qu'on l'a dit plus tôt. Ils aident les Indiens et les Métis à faire la transition entre le milieu rural et le milieu urbain; cette migration vers la ville est d'ailleurs de plus en plus forte. Voilà un service

[*Text*]

There is a role that the service delivery system should and perhaps could play in providing services for Indian people. At this point in time the service delivery system is not providing this and friendship centres are playing a significant role in providing this transitional service.

• 1155

The fact is, then, that there is only so much money being spent on friendship centres. They are providing not a duplicate—I do not think they are a duplicate—a special service which is not being provided by other segments of the total service delivery system, but which should be a part, and perhaps could be a part. I think the fact is that in Canada today in our urban centres, in our growth centres, friendship centres are playing a social service delivery role, and the fact also is that they do not have the money to do this.

Friendship centre people are greatly underpaid. In Winnipeg the director of the friendship centre—I do not know his exact salary, but he might get at the most perhaps $5,000 or $6,000 a year. If he were working in a social delivery system of the province he might be getting $4,000 or $5,000 more than that in a similar position, so it is difficult to hold people that can do these jobs unless they are dedicated, and even when they are dedicated most of the time they are just ordinary people like you and me that have to provide for the upkeep of their families, and so on.

There are a couple of other things I would like to mention, but I think we have to look at friendship centres in the perspective of whether they are providing a service and, in fact, a service that is needed. I think the point is also that the fact that friendship centres are providing a service points out the need for the service delivery systems like welfare service and probation services, and so on. They need an added dimension which, at the present point in time, is not being provided and which unless concerned people from the community and the legislators are able to change rules so that more money is put into, say, the probation services of Manitoba, or welfare services, where you can have a special need filled, the friendship centres are going to have to continue to provide this service which, in the total matrix of Canadian society, is not a positive thing.

When you have friendship centres providing a special service for a special group of people, what you are, in fact, doing is tending to perpetuate segregation, which is the thing we are trying to get away from. I think when we think of friendship centres we have to

[*Interpretation*]

que pourrait fournir le système d'assistance sociale pour les Indiens et les Métis. A l'heure actuelle, ce n'est pas le cas et ce sont les centres d'accueil qui les aident à faire cette transition entre les deux milieux.

Le fait est qu'on ne consacre qu'une faible somme d'argent aux centres d'accueil. Je ne crois pas que ces centres font double emploi avec d'autres organisations; ils donnent plutôt des services spéciaux qui ne sont pas assurés par d'autres secteurs du système général d'assistance sociale mais qui devraient et pourraient l'être. Le fait est qu'à l'heure actuelle, dans nos centres urbains, dans nos centres de croissance, ces centres d'accueil assurent un rôle d'assistance sociale. Malheureusement, ils n'ont pas assez d'argent à cette fin.

Le personnel des centres d'accueil est insuffisamment rémunéré. A Winnipeg, le directeur du centre d'accueil reçoit environ, disons, 5 à 6,000 dollars par année: ce sont là des chiffres approximatifs. S'il était à l'emploi de la province, par exemple, il pourrait obtenir le double de ce qu'il touche en ce moment. C'est pourquoi, il est difficile de retenir ces gens à moins qu'ils ne soient dévoués à la cause. Ce sont la plupart du temps des gens ordinaires comme vous et moi, qui doivent pourvoir aux besoins de leur famille.

J'aimerais mentionner quelques autres points, mais je crois qu'avant tout, il faut placer les centres d'accueil dans leur véritable perspective et se demander s'ils assurent un service essentiel. Le fait que les centres d'accueil jouent un rôle supplétif indique qu'il y a un vide dans le système général d'assistance sociale. Comme les services de bien-être, les services de libération conditionnelle, etc.

On doit ajouter à ces services une nouvelle dimension, qui est absente à l'heure actuelle. A moins que des gens dévoués et les législateurs n'arrivent à changer les règles afin que plus d'argent soit assuré aux services de libérations conditionnelles, par exemple, ou d'assistance sociale au Manitoba, les centres d'amitié devront continuer d'assurer ces services, ce qui, dans l'ensemble de la société canadienne, ne donne pas de résultats positifs.

Le fait que ces centres assurent un service spécial à un groupe particulier de citoyens tend à perpétuer une forme de ségrégation que nous voulons tous éviter. Lorsqu'on étudie ces centres, il faut les envisager dans une perspective élargie. Il n'y a pas de gens plus

[*Texte*]

look at them in this bored perspective. There are no people more qualified, if I can say that, or in a better position to do something about it than the legislators.

Talking about finances, another thing that the friendship centres lack is enough money for training people. We have people working in friendship centres that need training, but in the friendship centre movement there are no funds for this. In Manitoba, the Manitoba government has been providing funds for workshops for the last two or three years, three or four times a year. This is one thing that is not assured, but there is the need for more money for training.

There is also a need for a continuing evaluation of friendship centres. In friendship centres, as in any other type of movement or anything where people work together, unless people continually look at what they are doing they tend to become institutionalized and I think that this is a danger into which friendship centres can very easily fall.

That is about all I have to say.

The Chairman: Thank you very much, Mr. Keeper. We will now call on Mr. Andrew Bear Robe who is Provisional Chairman of the Friendship Centre Association of Canada.

Mr. Andrew Bear Robe (Provisional Chairman of the Friendship Centre Association of Canada): Mr. Chairman, honourable members and gentlemen. For your information I would like to point out that in November of last year in Saskatoon the staff that were in attendance at the Annual Friendship Centre Workshop initiated a movement towards a true association of friendship centres in Canada. It is not formally organized as yet, but we have definite plans to do so in the very near future.

First of all, I would like to read to you a segment of our presentation to the Honourable Robert Andras at our meeting here in Ottawa on March 18 last. Our proposition was this:

> In consideration of the previous performances of friendship centres and they require substantial support from both Federal and Provincial grants, and if these two bodies feel that we are carrying a major role in our society, then, why hasn't there been a long range program of financial support for the friendship centres across Canada? In the friendship centre agreement of 1965 where friendship centres would be supported by the provincial and federal governments, why haven't the agreements made provisions

[*Interprétation*]

qualifiés ou mieux placés que les législateurs pour corriger cette situation.

Encore au sujet de questions monétaires, je dois ajouter que les centres n'ont pas assez d'argent pour assurer des services de formation à ceux qui en ont besoin. Il y a des gens dans les centres d'accueil qui ont besoin de formation, mais nous n'avons pas d'argent à cette fin. Le gouvernement du Manitoba, depuis deux ou trois ans, fournit les fonds pour des ateliers trois ou quatre fois par année. Le versement de ces sommes n'est pas assuré et pourtant le besoin des cours de formation demeure.

Enfin, les centres d'accueil doivent continuellement se réévaluer. Comme toutes les organisations où les gens travaillent ensemble, les centres d'accueil tendent à développer une certaine routine. C'est un danger qui se présente pour les centres d'accueil. C'est à peu près tout ce que j'ai à dire.

Le président: Merci, monsieur Keeper. M. Andrew Bear Robe, président provisoire de l'Association des centres d'accueil du Canada.

M. Andrew Bear Robe (directeur provisoire, l'Association des centres d'accueil): Monsieur le président, honorables députés, messieurs. Je voudrais vous signaler qu'en novembre dernier, à Saskatoon, les représentants qui étaient présents à la réunion annuelle de travail des centres d'accueil, ont mis sur pied l'idée d'une association des centres d'accueil. Cette association n'est pas encore officiellement organisée mais nous dresserons des plans précis à ce sujet dans un avenir prochain.

Je voudrais vous donner lecture d'une partie de notre communication à l'honorable Robert Andras, que nous avons rencontré ici à Ottawa le mois dernier, le 18 mars pour être précis.

> En considération du rendement antérieur des centres d'accueil qui ont besoin d'un appui des gouvernements provinciaux et fédéral, et si ces derniers estiment que nous jouons un rôle important au sein de notre société, pourquoi n'a-t-on pas alors mis sur pied un programme de soutien financier à long terme de ces centres au Canada? Dans l'accord de 1965, les gouvernements fédéral et provinciaux devaient accorder leur appui. Pourquoi n'a-t-on pas pris de dispositions pour établir de nouveaux centres partout

[*Text*]

to substantiate the numbers of new friendship centres across Canada? Now we are getting a country-wide backlog and our funds won't support the projected programs planned.

In the light of this, I should like to present to you the case of Alberta. The combined federal-provincial grant allocated to Alberta is $60,000 a year. This year we have a new member, Pincher Creek, and we now have five friendship centres in Alberta. But this same $60,000 now has to be split five ways, so that each of the four established friendship centres had to make a sacrifice under the projected budget for this current fiscal year. This is a very bad situation to work under.

I would like to stress that the present Friendship Centre Associations are for the benefit of all centre staffs and the public they serve. The centres are concerned that agreements are limiting their programs. Instead of being able to expand, or remain at the *status quo*, they find that the present financial agreements are severely curtailing their activities.

Mr. Michon from Port Arthur, one of my colleagues, has expressed concern over the continuity of funds and also gave his view on how friendship centres serve and the long hours that are put in by their staffs, long after other social agencies have closed.

I would like to state the general purpose of all friendship centres.

The goals and scope of these centres are, generally speaking, contingent upon the needs of the Indians as perceived by the community and upon the facilities of the community for action.

There are four distinct types of activity:

(1) referral to existing community services and agencies in matters of employment, housing, welfare, repatriation, community services, etc.

(2) group activity and social programs at the centre.

(3) individual counselling (non-referrable cases) at the centre.

(4) hostel accommodation.

Mr. Cullen: Before individual counselling.

Mr. Bear Robe: Group activity and social programs in the centre.

• 1205

The early emphasis by some friendship centres was on referral services. Here the assumption was that adequate social services existed in cities, if Indians could be

[*Interpretation*]

au Canada? Nous avons maintenant une accumulation de problèmes même avant d'avoir mis le programme sur pied.

Dans ce contexte, je voudrais vous exposer le cas de l'Alberta. Les subventions combinées de l'Alberta et du gouvernement fédéral sont de $69,000 par année. Cette année, nous avons un nouveau membre, le centre de Pincher Creek. Nous avons maintenant cinq centres en Alberta, mais cette même somme de $60,000 doit maintenant être répartie entre cinq tranches, ce qui fait que les quatre anciens centres sont obligés de couper dans leur budget. Chaque fois que nous établissons un nouveau centre, il nous faut fractionner encore notre budget. Voilà la situation dans laquelle nous nous trouvons maintenant. De fait, l'Association tente de travailler pour le plus grand bien de tous les centres d'accueil. Au lieu de pouvoir étendre nos activités, nous devons en rester au statu quo. Les accords financiers actuels nuisent à l'expansion de nos activités.

Un de mes collègues, M. Michon, de Port Arthur, s'inquiète de cette absence de fonds et des longues heures de travail imposées au personnel, qui travaille bien après la fermeture des autres bureaux de service social.

Je voudrais vous exposer les objectifs principaux des centres.

Les buts sont, en règle générale, l'aide aux Indiens de la communauté et l'aménagement d'installations destinées à la communauté.

Il y a quatres domaines précis d'activités.

Premièrement, services communautaires, bureau de placement, logements, assistance sociale, rapatriement et ainsi de suite.

Deuxièmement, activités de groupe et programmes sociaux.

Troisièmement, conseils particuliers au Centre même.

Quatrièmement, l'auberge.

M. Cullen: Avant les conseils particuliers?

M. Bear Robe: Les activités de groupe et les programmes sociaux.

On met l'accent sur les services de nature civile, principalement dans les villes, si on peut persuader les Indiens d'y recourir. Cependant, l'objectif nouveau s'est

[*Texte*]

persuaded to use them. However, a new purpose emerged from the "referral method" when it was discovered that workers and facilities in welfare, social service, and law enforcement lacked the skill, knowledge, and often the incentive to deal with native clients, and that liaison with existing agencies was definitely a necessity. It appears that a referral centre must be prepared to spend a great deal of time educating "refer to" agencies.

The friendship centre, at least in the case of Calgary, is essentially a referral agency; we cannot afford to act in the capacity of a welfare agency. But due to this lack of understanding on the part of other social agencies in our community there is an element of a reverse flow. In other words, they are sending Indians back to us instead of working the other way. I have daily feed-backs from the Indian people that I refer to such agencies as welfare.

One of the comments I got the other day was, "Why don't you go back to your Indian reserve?" But this was unfounded, because this particular person was a non-treaty Indian. So where does he go? This is the type of thing that friendship centres continually deal with.

I would also like to state that, generally speaking, friendship centres lack proper facilities. Most of them are located in rundown buildings and there is a lack of funds for adequate staff to cope with the demands made upon them by the communities in which they are located.

Third, there was a study made in Edmonton. If anybody requests it I could get it, but it revealed that staff members of friendship centres were not being paid on the same level as were other agencies doing the same type of service. I believe this was stated by Mr. Keeper—that personnel in friendship centres are not being adequately paid.

To go to finances:

Despite the fact that the federal government, through the Department of Citizenship Branch and in co-operation with provincial governments, makes operational grants to friendship centres; and despite the fact that friendship centres have community support in the form of financial allocations from the United Appeal, Service Clubs, and private donations, financial worries remain uppermost in the minds of the people who are responsible for the successful operation of all friendship centres which means the Board of Directors. Therefore, it is rather difficult to expand services, introduce

[*Interprétation*]

dessiné lorsqu'on a constaté que l'ensemble des services aux indigènes était nettement une nécessité. Le Centre doit être prêt à passer une grande partie de son temps aux problèmes déférés auparavant à des agences.

Le Centre d'accueil, surtout dans le cas de Calgary, est essentiellement un centre d'information. Nous ne pouvons pas nous payer le luxe de nous substituer à une organisation d'assistance sociale. Mais à cause du manque de compréhension des autres organismes de bien-être social, nous avons chaque jour des Indiens qui nous sont renvoyés pour de l'aide sociale.

Un des commentaires que l'on m'a servi l'autre jour était celui-ci: Pourquoi ne retournez-vous pas dans votre réserve?» Ceci est sans fondement, parce que cette personne était un Indien non couvert par les traités. Où peut-il aller, par conséquent? Et, également, règle générale, ces centres manquent d'installations. La plupart se trouvent dans des immeubles insulubres. On manque de fonds pour engager le personnel nécessaire pour répondre aux demandes dans la communauté où il est situé.

Et troisièmement, une étude a été faite à Winnipeg qui a révélé que les membres du personnel n'taient pas rémunérés sur la même base que d'autres organismes qui assurent les mêmes services. Je crois que ce sujet a été abordé par M. Keeper. Le personnel de ces centres ne sont pas bien remunérés.

En dépit du fait que le gouvernement fédéral, le ministère de la Citoyenneté, en collaboration avec le gouvernement provincial verse des subventions à ces centres, et en dépit du fait que ces centres peuvent rallier l'appui du public sous forme d'allocations, de la fédération des œuvres, de clubs sociaux et de particuliers, les problèmes financiers demeurent quand même très graves pour le Conseil d'administration. Il est donc difficile de mettre sur pied des programmes lorsque les fonds sur lesquels on peut compter, sont incertains. Et par conséquent, tous ces centres se tournent vers le gouverne-

[*Text*]

new experimental programs and to plan with confidence when the sources of operating funds are continually uncertain. Consequently, almost every friendship centre looks to the government for continuation of financial support to supplement local grants and contributions.

Of overriding importance from the viewpoint of friendship centres, and

from the standpoint of the federal government, the development of an adequate social adjustment for Indians in urban situations should be of critical importance.

A steady one-way flow of Indians and Eskimos into urban industrial life will reduce welfare costs, and will leave manageable numbers on reserves and in the north to implement economic development plans. This will justify the faith expressed in federal expenditures on education, friendship centres and the like, that long term solutions can be found for the Canadian native population.

Indeed, the successful integration of surplus populations from reserves into urban occupations and into urban life at

• 1210

all levels is an important, perhaps the most important, keystone of the large plans and expenditures which are now part of the policies of the Department of Indian Affairs and Northern Development and of provincial governments, and of the hopes of many voluntary organizations and leaders of opinion in our Canadian Society.

At this point I would like to read to you excerpts from an address by the Honorable John R. Nicholson which was made on June 12, 1965. He was the then Minister of Citizenship and Immigration. It was made at the Vancouver centre.

I would like to pick up the points which express the feeling of the association of friendship centres as presently organized. He stated:

In my view our Indian Friendship Centres are among the best, if not the best, single avenue of communication between Indians and non-Indians. It is now nearly two years since your Society was incorporated here in Vancouver, with the express purpose of assisting people of Indian ancestry to make an adjustment to the city way of life. Looking back since that time, you can be proud of the progress you have achieved, the ser-

[*Interpretation*]

ment pour qu'il continue son appui financier pour suppléer aux subventions locales et aux souscriptions publiques.

Enfin, la question dominante.

Du point de vue du gouvernement fédéral, c'est que le bien-être des Indiens dans ces collectivités doit revêtir une importance particulière.

En définitive, cela va finir par abaisser le coût du service d'assistance sociale qui permettrait de mettre en œuvre un plan de développement du Nord. Les solutions à long terme peuvent être trouvées pour la population indigène du Canada. De fait, l'intégration de la population excédentaire des réserves, dans des concentrations urbaines à tous les niveaux est peut-être le pivot de la politique du Ministère du Nord canadien et des Affaires indiennes, et répond aux espérances de plusieurs chefs de file de la société canadienne.

Je voudrais vous donner lecture d'un extrait du discours de M. Nicholson—le 12 juin 1965. Il était alors ministre de la Citoyenneté et de l'Immigration. Il a prononcé ce discours au centre de Vancouver.

Je voudrais rassembler les points qui expriment les vues des centres d'accueil, tels qu'ils sont présentement organisés. Il a déclaré:

A mon avis, nos Centres d'accueil des Indiens sont parmi les meilleures, sinon les meilleures, méthodes de communication entre les Indiens et les non-Indiens. Il y a maintenant presque deux ans que votre société a été constituée ici à Vancouver, dans le but précis d'aider les gens d'ascendance indienne à s'adapter à la vie urbaine. En regardant en arrière, vous pouvez être fiers des progrès que vous avez réalisés, des services que vous avez

[*Texte*]

vice you have rendered, and the contribution you have made to the community at large.

However, the task facing you is a formidable one, which will require all your imagination and all your ability. The pull of the city is a strong one for an Indian living on a reserve. As a result, many Indians come to the city expecting or at least hoping to better themselves economically and socially. Many of them arrive here ill-prepared for the sudden change in the way of life. It is your avowed purpose, the task of all in the Indian Friendship Centre, to assist these people to make the adjustment to a way of life, which is in strong contrast to the traditional Indian culture of the reserve. It is up to you to help soften the blow.

This is essentially the responsibility of friendship centres.

The number of Indian Friendship Centres in Canada is increasing every year and my Department is actively involved in this work by providing grants to 17 of these Centres operating mainly in Western Canada. It is my hope that some day Centres such as this will be in operation in every urban community, where there is a need for specialized services to the Indian population. You may be assured that my officials will always be ready to offer their assistance or advice whenever they are requested to do so.

Possibly, if you and the active members of other Indian Friendship Centres are able to carry such co-operative ideas into action, we will see the eventual establishment of a "National Federation of Friendship Centres,"

This has come about—at least the initial stages have come about.

which would consist of all those people actively engaged in the work you are so successfully doing here in Vancouver. Such a Federation would be very helpful in the exchange of ideas and experiences, and I am sure that all Centres would benefit from the dialogue which would result.

However, I believe that the impetus for such a Federation must come from within the Indian Friendship Centre movement itself. Nobody can impose such a move on you. You must do it yourselves when you feel that the time is ripe and that the opportunity is at hand.

[*Interprétation*]

rendus et de la contribution que vous avez apportée à la société en général.

Cependant, la tâche à laquelle vous vous attaquez est immense et elle demandera toute votre imagination et votre habileté. La ville a un fort attrait pour l'Indien qui demeure dans une réserve. Il en résulte que beaucoup d'Indiens viennent à la ville en pensant ou du moins en espérant s'améliorer économiquement et socialement. Beaucoup ne sont pas bien préparés pour le changment subit dans leur façon de vivre. C'est votre but avoué, la tâche de tous les Centres d'accueil des Indiens, de les aider à s'adapter au nouveau mode de vie qui marque un contraste très fort avec la culture traditionnelle des Indiens dans la réserve. C'est à vous d'aider à amortir le coup.

C'est essentiellement la responsabilité des Centres d'accueil.

Le nombre de Centres d'accueil pour les Indiens au Canada augmente d'année en année et mon ministère, s'occupe activement de ce travail en accordant des subvention subventions à 17 de ces centres qui se trouvent principalement dans l'Ouest du Canada. J'espère que des centres comme celui-ci se trouveront un jour dans chaque centre urbain où il faut fournir des services spécialisés à la population indienne. Mes fonctionnaires, je vous l'assure, seront toujours disposés à offrir leur aide à leurs Conseils chaque fois qu'on le leur demandera.

Peut-être que si vous et les membres actifs d'autres Centres d'accueil pouvez traduire en gestes ces idées de coopération, nous finirons par voir la création d'une fédération nationale des Centres d'accueil...

Cela s'est réalisé, du moins pour les premières étapes.

...qui consisterait de tous les gens activement intéressés au travail que vous avez si bien ici à Vancouver. Une fédération du genre aiderait beaucoup l'échange des idées et des expériences et je suis sûr que tous les Centres profiteraient du dialogue qui s'ensuivrait.

Mais je pense que ce doit être des Centres d'accueil que cette Fédération doit tirer son origine. Personne ne peut vous imposer cela. Il faudra que vous fassiez le travail vous-mêmes, lorsque vous sentirez que l'heure est arrivée et que l'occasion est à portée de la main.

[*Text*]

Personally, I think the time is ripe for this type of movement toward the consolidation of opinions and efforts of all people concerned with friendship centres.

> Naturally, you can expect the fullest co-operation from my Department in any action you decide to take, but in my view such a Federation can work well, only if it springs from the sincere convictions and the aspirations of those who are basically involved. That it is possible for the Indian to establish himself successfully in a predominantly non-Indian world is being proven every day in every community in
> • 1215
> Canada. Much of the credit for this successful adjustment must go to voluntary groups such as the Indian Friendship Centres. I commend you for the great work you have done in the past, and I urge you to set your sights high for an even greater task in the future.

Mr. Borrie: Excuse me. I wonder if I might ask what is the date?

Mr. Bear Robe: June 12, 1965.

Mr. Borrie: June 12, 1965. Thank you.

Mr. Bear Robe: Also, if I may, I would like to read to you for your information a Working Paper on Friendship Centres prepared by the Citizenship Branch, Department of Citizenship and Immigration.

> To round up...a few recommendations have been added, the most important being the establishment of a Friendship Centre Federation which would endeavour, one hopes, to provide leadership in all phases of the movement.

The finding in this report is:

> It is strongly recommended that friendship centres be encouraged to form a Federation of Friendship Centres. Such a move would give impetus to the movement as well as motivating centres to continually improve themselves.
>
> Governments must consider using one or two of the larger friendship centres for training new employees of smaller friendship centres.

So this is essentially our thinking in the association. I would like to go back to my local situation in terms of finances.

I mentioned before that we used to get $20,000 under the federal provincial agreement. For this current fiscal year it is reduced to $18,000. We have requested support from the United Fund of Calgary for an amount of $12,000, but from all indications they are

[*Interpretation*]

Personnellement, il me semble que le moment est venu de la consolidation des opinions et des efforts de tous les gens intéressés par ces Centres d'accueil.

> Naturellement, vous pouvez compter sur la collaboration la plus entière de mon ministère pour toutes les mesures que vous pourriez prendre, mais à mon avis, une fédération du genre ne peut réussir que si elle naît des convictions et aspirations sincères des gens qui sont fondamentalement intéressés. Le fait que l'Indien puisse s'établir avec succès dans un monde non indien est prouvé chaque jour dans chaque collectivité au Canada. Une grande partie du mérite de cette bonne adaptation doit revenir à des groupements de volontaires comme les Centres d'accueil des Indiens. Je vous félicite du beau travail que vous avez fait dans le passé et je vous invite à viser encore plus haut pour l'avenir.

M. Borrie: Excusez-moi. Puis-je vous demander la date?

M. Bear Robe: Le 12 juin 1965.

M. Borrie: Le 12 juin 1965. Merci.

M. Bear Robe: Avec votre permission, je voudrais aussi vous lire un document sur les Centres d'accueil préparé par la Direction de la citoyenneté du ministère de la citoyenneté et d'Immigration.

> Pour résumer...on a ajouté des recommandations, dont la plus importante est l'établissement d'une Fédération des centres d'accueil qui essaierait, nous l'espérons, de prendre la tête dans toutes les phases du mouvement.

Sa conclusion du rapport est:

> On recommande fortement que les Centres d'accueil forment une Fédération des Centres d'accueil. Un tel geste donnerait un élan au mouvement et motiveraient les centres à améliorer constamment leurs services.
>
> Les gouvernements doivent envisager d'utiliser un ou deux des grands centres pour la formation des nouveaux employés dans les centres plus petits.

Ceci est essentiellement notre conception dans l'association. Je voudrais revenir à ma situation locale au point de vue des finances.

J'ai déjà mentionné que nous recevions $20,000 autrefois aux termes de l'accord fédéral-provincial. Pour l'année financière en cours, la somme est réduite à $18,000. Nous avons demandé du United Fund of Calgary une somme de $12,000. Tout porte à croire

[*Texte*]

only prepared to give us $9,000 for this current year.

Also the municipal government of the City of Calgary has indicated that they might give us $6,000. This $6,000 is comparable to the amount we got for our last fiscal year. We are hoping to get $500 from our membership dues of which about $200 has been realized. We are also hoping to get private donations to the amount of $1500.

Therefore, adding all those figures, we have optimistically set our budget for the year as $38,900. From the figures I quoted to you, although they are not assurances, we are hoping to get $38,000. Therefore, Calgary Centre is now working on a $900 deficit budget which we hope to alleviate to a certain extent by increased community solicitation, and perhaps by increased public relations programs.

Therefore, that is the case, and this is the situation in regard to the thinking of the staff association, and also our local situation in Calgary.

The Chairman: Thank you very much, Mr. Bear Robe. I have on my list of questioners Mr. Orange, Mr. St. Pierre, Mr. Deakon, Mr. Borrie, Mr. Smerchanski and Mr. Simpson. Mr. Orange.

Mr. Orange: Mr. Chairman, I would on behalf of the members of the Committee here, express our appreciation to the gentlemen who have come and opened our eyes to

• 1220

the value and use of the friendship centres. I would like to address my first question to Mr. Lagassé.

In relation to the grants that are made available through the Citizenship Branch to the friendship centres, have you a formula? Is it based on the number of people in a particular province, the number of people serviced over the course of a year, or just how do you arrive at these figures?

Mr. Lagassé: Initially the decisions about the first grants—let us go back to the Winnipeg Centre, being the only one—a factor in determining the amount arrived at by the federal government and the provincial government was how much a community itself was supporting. Inasmuch as friendship centres are private agencies, it was felt at that time that it would be wise if the majority of the funds came from private funds so that we would remain independent. At the present time it would seem, from what the people have been saying here, that the totality of the

[*Interprétation*]

qu'ils ne sont disposés à nous donner que $9,000 pour l'année en cours.

Le gouvernement municipal de la ville de Calgary a dit qu'il nous donnerait peut-être $6,000. Cette somme peut être comparée au montant que nous avons reçu l'an dernier. Nous espérons recevoir $500 dollars en cotisations de nos membres dont nous avons $200. Nous espérons aussi recevoir des dons de la part des particuliers qui totaliseraient $1,500. Donc, en additionnant tous ces chiffres, nous avons établi avec optimisme notre budget pour l'année à $38,900. En partant des chiffres que je vous ai cités, bien qu'ils ne soient pas des quantités sûres, nous espérons avoir $38,-900. Donc, le centre de Calgary travaille maintenant avec un déficit de $900 que nous espérons alléger dans une certaine mesure en augmentant les demandes aux particuliers et peut-être grâce à des programmes de relations publiques intensifiés.

Voilà donc le cas et telle est la situation à propos de la conception de l'association du personnel, et aussi notre situation à Calgary.

Le président: Merci, monsieur Bear Robe. MM. Orange, Saint-Pierre, Deakon, Borrie, Smerchanski et Simpson veulent poser des questions. Monsieur Orange.

M. Orange: Monsieur le président, je voudrais au nom des membres du Comité remercier les messieurs qui nous ont éclairé sur la valeur et l'utilité des centres d'accueil. Ma première question est à M. Lagassé.

Avez-vous un principe directeur à propos des subventions consenties par l'entremise de la Direction de la Citoyenneté? Est-il fondé sur le nombre de gens dans une province donnée, le nombre de gens aidés au cours d'une année, bref, comment établissez-vous ces chiffres?

M. Lagassé: Tout d'abord, les décisions sur les premières subventions—revenons au centre de Winnipeg, c'est le seul—un facteur servant à déterminer la somme trouvée par les gouvernements fédéral et provincial était l'appui financier de la collectivité. Puisque les centres d'accueil sont des organismes privés, on a pensé qu'il serait préférable que la majorité des fonds proviennent de sources privées afin que l'organisme puisse demeurer indépendant. Mais d'après ce qu'on a dit aujourd'hui, il semble que la totalité des fonds disponibles est un facteur réel lorsqu'il

[*Text*]

funds available is a real factor in deciding how much to give. Perhaps much more than that particular reason, or the rationale which was used at the beginning, was the amount of local support. I think this is perhaps the way it could be answered.

Mr. Orange: In effect, then, if there is a proposal to open up three new friendship centres in various parts of the Western provinces, would still as I think Mr. Bear Robe said, the total budget of the other friendship centres would suffer as a result.

Mr. Bear Robe: We have termed that the price system.

Mr. Lagassé: I do not think this is too different from any other type of administration. We have so much money to administer and the question is to see how it can be used and also to guard against over expenditures.

Mr. Orange: Right. But in effect, though, if you wish to open up three new centres, five new centres or ten new centres you still only have the same number of dollars available whether you have twenty-three or thirty-three, which in effect would restrict the program of an on-going center by cutting back on its activities.

I will direct my next question to Mr. Currie. I think, sir, that you probably summed up the situation by saying that the friendship centres are really only one part of the total. May I ask you, sir, what ideas you have with regard to how to help bridge this problem of people leaving the reserve or the northern parts of the provinces, or other places, and coming to town and working and adjusting to the urban setting, in terms of education, living, cultural activities, problems of housing, and so on?

Mr. Currie: This may sound facetious but it is not meant to be. How much time do we have, Mr. Chairman? I mean this very seriously, gentlemen. If you are going to jump into this—and, by golly, who better must get into it than the legislators of Canada—then you are going to have to take some time at it. Sitting here listening to three or four of us will not be good enough if the federal government is going to do something worthwhile to help the native people of this country who—to repeat the words that have been said before—for too long have been grossly neglected.

To answer your question, the fundamental problems that face the native people who move into the cities are, as was pointed out before relatively the same as for any person;

[*Interpretation*]

s'agit de décider quel montant accorder. Peut-être beaucoup plus que la raison particulière, ou la rationalisation, dont on s'est servi, c'est l'appui local qui compte. Je crois que c'est peut-être la façon de répondre.

M. Orange: Alors, si on propose d'ouvrir trois nouveaux centres d'accueil dans les provinces de l'Ouest, est-ce que, comme M. Bear Robe a dit, le budget total des autres centres d'accueil en souffriraient?

M. Bear Robe: C'est ce que nous avons appelé le système des prix.

M. Lagassé: Je ne crois pas que ce soit un genre d'administration très différent des autres. Nous avons tant de fonds à administrer et la question est de savoir comment utiliser ces sommes et se garder de ne pas trop dépenser.

M. Orange: D'accord. Mais si vous voulez ouvrir trois ou cinq ou dix nouveaux centres, vous aurez seulement le même nombre de dollars de disponible, que vous ayez un centre ou que vous en ayez cent, ce qui, en fait, veut dire que le programme d'un centre qui est déjà sur pied doit restreindre d'autant ses activités.

Monsieur Currie, je pense que vous avez très bien décrit la situation en disant que les centres d'accueil ne sont qu'une partie d'un ensemble. Quelles sont vos idées quant au moyen de résoudre le problème des gens qui abandonnent les réserves, ou les parties septentrionales des provinces, ou d'autres endroits, et qui se dirigent vers la ville pour travailler et qui doivent s'adapter au milieu urbain en termes d'éducation, de style de vie, d'activités d'ordre culturel, des problèmes de logement, et ainsi de suite?

M. Currie: Ma réponse peut paraître humoristique mais ce n'est pas mon intention. De combien de temps disposons-nous, monsieur le président? Je parle sérieusement, car si vous voulez étudier cette question, et, par Jupiter, qui en tirera plus de profit que les législateurs du Canada, il vous faudra y mettre le temps. Ce ne serait pas suffisant d'écouter deux ou trois ou quatre d'entre vous, pas si le gouvernement fédéral veut faire quelque chose de bien pour aider les indigènes du pays qui, pour reprendre une expression, depuis trop longtemps ont été très négligés.

Pour répondre à votre question, le problème fondamental des indigènes qui se rendent à la ville est, comme vous l'avez déjà signalé, à peu près le même que pour les

[*Texte*]

housing, employment, lack of education, unawareness of what these agencies are, how you identify them, how you work with them and how you understand them. Add to that the over-all factor which creates the tremendous difference between the native person

• 1225

and the migrating immigrant from Europe or the migrating person from eastern Canada to Ontario.

This is a native person, an Indian or an Eskimo, and he carries on his back discrimination and differences which he may not be aware of but he will soon find out what they are when he arrives in many of our cities. How do you do something about this? First of all—and I speak very broadly here because I think we must—I think our governments at the federal, provincial and municipal levels, as well as the volunteer agencies, must stop thinking vertically. Each agency seems to think this is what we are going to do and this is a feather which will appear in our cap because of what we have done. We must stop thinking vertically and think horizontally to meet the needs of a people, and we must learn and be agreeable to extending our facilities and our strengths regardless of who runs the program.

For example, you gentlemen sit on a committee known as the Indian Affairs and Northern Development Committee. How much money has the Department of Indian Affairs put into friendship centres in Canada? None, because these centres exist in communities which are not on reserves. The federal government for too long has accused the provincial governments of hiding behind the fact that Indians are a federal responsibility. When an Indian moves into the city the federal government turns around and says, "You are now a provincial or a municipal responsibility", and this is what I mean. We must learn to think horizontally as Canadians serving the needs of a segment of our Canadian population. Perhaps I speak in very grandiose terms, but unless these fundamental philosophical ideas are met, discussed and some form of agreement reached, then we are going to perpetuate this mandate approach to solving a gigantic problem.

The Indian-Eskimo Association of Canada held a national conference in 1966 and that was the one time the Department of Indian Affairs came across with some money—$10,000, as a matter of fact—and permitted us to have this meeting. At that time Jean Lagassé

[*Interprétation*]

autres; le logement, l'emploi, le manque d'instruction, l'ignorance de la part des organismes quant à la façon de les identifier, de travailler avec eux et de les comprendre. Si on ajoute le fait global qui crée une différence énorme entre l'indigène et l'immigrant d'Europe, ou celui qui vient de l'Est du Canada ou l'Ontario.

Ce sont les indigènes indiens ou esquimaux qui doivent faire face à une discrimination qu'il ne connaît pas mais qu'il ne tardera pas à connaître dès qu'il arrivera dans une ou l'autre de nos villes. Comment faire quelque chose à ce sujet? D'abord, et je parle ici en termes très généraux car je crois que c'est nécessaire, nos gouvernements au niveau fédéral, provincial et municipal de même que les organismes bénévoles doivent cesser de penser verticalement. Chaque organisme semble penser que c'est ce que nous allons faire, et c'est une plume que nous porterons à notre chapeau à cause de ce que nous aurons fait. Il faut cesser de penser verticalement et penser horizontalement pour satisfaire aux besoins d'un peuple, et nous devons apprendre et être prêts à consacrer nos aménagements et nos efforts, peu importe qui est à la direction du programme.

Par exemple, vous faites partie d'un comité appelé le Comité des affaires indiennes et du développement du Nord canadien. Quelle est la somme affectée aux centres d'accueil du Canada par le ministère? Aucune somme, parce que ces centres se trouvent dans des collectivités en dehors des réserves. Le gouvernement a accusé le gouvernement provincial depuis trop longtemps de se cacher derrière le fait que les Indiens sont une responsabilité fédérale. Lorsqu'un Indien déménage en ville, le gouvernement fédéral lui dit qu'il relève maintenant de la municipalité ou de la province. C'est ce que je veux dire. Il faut apprendre à penser horizontalement en tant que Canadiens pour répondre aux besoins d'un secteur de la population du Canada.

Je parle peut-être avec un peu de réthorique mais à moins que ces idées philosophiques fondamentales ne soient discutées et qu'on en vienne à une certaine entente, nous allons perpétuer la situation actuelle où l'on se renvoie la balle au lieu de résoudre le problème énorme que nous avons sur les bras.

L'Association canadienne des Indiens et des Esquimaux, a tenue une conférence nationale en 1966 et c'est la seule fois que le ministère des Affaires indiennes a fourni de l'argent, soit $10,000, et nous a permis d'avoir une réunion. Jean Lagassé était alors au ministère

[*Text*]

a member of the Department of Indian Affairs and this is a report for the Chairman. There are a lot of recommendations in there which are based upon the views and opinions of Indian people who were gathered together in Toronto at a round table conference, in Edmonton at a round table conference and then finally at a meeting in Winnipeg. Following this we submitted to the Department of Indian Affairs—the hon. Arthur Laing was the Minister then—an action research project which dealt with Indians and the city. This was turned down by the Department of Indian Affairs. We in turn presented it to Manpower, to Welfare, to Health and to the hon. Mr. Pelletier, from whom we hope we are going to get a very, very sound response in the future. We are hopeful. As a matter of fact, Indian organizations have been perennially hopeful. Here is a copy of this as well.

Mr. Smerchanski: Mr. Chairman, I have a question. How many people would you say visited your office in 1968?

Mr. Currie: In Toronto?

Mr. Smerchanski: Yes.

Mr. Currie: You mean people who come to the centre?

Mr. Smerchanski: No, people who came to the centre for help and whom you were able to help, roughly.

Mr. Currie: Twelve thousand people.

Mr. Smerchanski: About a thousand a month.

Mr. Currie: Right, on the average. This averages out between the winter months, when it is very high, and the summer months, when many people disappear; they either find a job some place or they return to the reserve.

Mr. Smerchanski: How many days a week are you open?

Mr. Currie: Seven.

Mr. Orange: May I interject? I want to clarify a point. Mr. Currie, were those documents that you handed to the Chairman the recommendations of the Indian-Eskimo Association of Canada, the recommendations of the friendship centres or the recommendations of the national brotherhood?

Mr. Currie: The blue sheet was the recommendation of the Indian people who were at the conference. This conference was an action research type of program which we sponsored

[*Interpretation*]

des Affaires indiennes et ce document est un rapport pour le président. Il contient beaucoup de recommandations fondées sur les opinions des Indiens qui se sont réunis en table ronde à Toronto et puis à Edmonton et enfin en conférence à Winnipeg. Par la suite, nous avons présenté au ministère des Affaires indiennes, dont l'honorable M. Laing était alors ministre, un projet de recherche sur l'Indien et la ville. Cette proposition a été rejetée par le ministère. Nous l'avons ensuite présenté au ministère de la Main-d'œuvre et de l'Immigration, au ministère de la Santé nationale et du Bien-être social et à l'honorable M. Pelletier auprès de qui nous espérons trouver un très bon accueil à l'avenir. C'est ce que nous espérons en tous cas. En fait, les associations d'Indiens ont toujours vécu d'espoir jusqu'ici.

M. Smerchanski: Combien de gens ont visité votre bureau en 1968?

M. Currie: A Toronto?

M. Smerchanski: Oui.

M. Currie: Vous voulez dire combien de gens sont venus au centre?

M. Smerchanski: Non. Combien se sont adressés au centre pour obtenir de l'aide et combien avez-vous pu aider en 1968, approximativement.

M. Currie: Disons 12,000 personne.

M. Smerchanski: Environ 1,000 par mois.

M. Currie: Oui, en moyenne. Pendant les mois d'hiver, le nombre est très élevé, mais pendant les mois d'été, beaucoup de ces gens disparaissent parce qu'ils se sont trouvés un emploi ou qu'ils sont retournés aux réserves.

M. Smerchanski: Combien de jours par semaine êtes-vous ouverts?

M. Currie: Sept.

M. Orange: Puis-je poser une question complémentaire afin de clarifier un point. Est-ce que les documents que vous avez remis au président sont les recommandations de l'Association canadienne des Indiens et des Esquimaux, des centres d'accueil ou de la Fraternité nationale?

M. Currie: La feuille bleue porte les recommandations des Indiens qui étaient à la conférence. Cette conférence était un programme de recherche actif mais les Indiens sont en

[*Texte*]

but the Indian people were involved right down the line. A few white people were let in to speak at the annual meeting but it was Indian people predominantly who were chairing recording and doing the talking and the arguing.

The Chairman: Gentlemen, with your permission I will file both these documents as exhibits and request the Clerk to supply each member of the Committee with a copy.

Mr. Currie: I also have a report here of the meeting which Mr. Bear Robe spoke of at the University of Saskatchewan last fall, which in the past has been co-sponsored by the IEA. It deals with friendship centres and copies of these reports can be obtained from the IEA in Toronto. I would be only too happy to get them for you.

You asked me for solutions. There are no simple solutions. There are solutions but they will only come about through discussion so that knowledge can be created from which understanding will come in order that something will be done.

• 1230

Mr. Dinsdale: Mr. Chairman, are we going to act on Mr. Currie's suggestion that we get copies?

The Chairman: Mr. Dinsdale, I have just asked the Clerk to contact Mr. Currie after the meeting and arrange for obtaining copies which he will distribute to all members.

Mr. Bear Robe: Mr. Chairman, we would also like to give you the report of our last month's meeting here in Ottawa and also the topic that I discussed this morning.

The Chairman: If everyone agrees we will file these as exhibits and ask for copies.

Some hon. Members: Agreed.

The Chairman: Does that answer your question, Mr. Orange, or do you have a further question?

Mr. Orange: I have a couple of supplementaries. Mr. Currie, what I think concerns everybody is again this business of consultation, and we see a budget of the Indian Affairs Department which runs into many millions of dollars. We see you have identified particular areas, such as the city, as areas of concern of the friendship centres. In the process of developing this budget is there consultation between the friendship centres and the Indian-Eskimo Association of Canada to determine where the priorities must lie?

[*Interprétation*]

cause sur toute la ligne. On a invité certains blancs à prendre la parole lors de la réunion annuelle, mais c'étaient surtout des Indiens qui présidaient, qui participaient à la discussion et ainsi de suite.

Le président: Messieurs, avec votre permission, nous allons déposer ces deux documents et demander au secrétaire d'en fournir un exemplaire à chacun des membres du Comité.

M. Currie: Voici aussi un autre rapport de la réunion dont a parlé M. Bear Robe à l'Université de la Saskatchewan, l'automne dernier qui, dans le passé, était parrainé, en partie par l'Association canadienne des Indiens et des Esquimaux. Elle porte sur les centres d'accueil. Vous pouvez en obtenir des exemplaires en vous adressant à l'Association à Toronto. Je serai heureux de vous les faire parvenir. Vous me demandez des solutions, il y a des solutions mais qui ne se réaliseront qu'après des discussions de façon à obtenir des renseignements qui mènent à la compréhension et à la solution des problèmes.

M. Dinsdale: Est-ce que vous allez nous fournir des exemplaires?

Le président: J'ai demandé au greffier d'obtenir des exemplaires de M. Currie, après la réunion, afin de les distribuer aux membres.

M. Bear Robe: Monsieur le président, nous vous donnerons aussi le rapport de notre dernière réunion qui a eu lieu le mois dernier à Ottawa et aussi le sujet aborder ce matin.

Le président: Nous allons aussi déposer ces documents comme pièces, si tout le monde est d'accord.

Des voix: D'accord.

Le président: Est-ce que cela répond à votre question, monsieur Orange?

M. Orange: J'ai d'autres questions supplémentaires à poser. Tous ont insisté sur l'inutilité de ces consultations, et nous avons eu sous les yeux un budget du ministère des Affaires indiennes qui portait sur plusieurs millions de dollars. Vous avez identifié certains domaines où les préoccupations sont les plus fortes pour les centres d'accueil tels que les régions urbaines. Dans la préparation de ce budget, est-ce qu'il y a des consultations avec les centres, avec les associations d'Indiens et d'Esquimaux afin d'établir les priorités?

[*Text*]

Mr. Currie: There has been nothing done on a broad basis among the centres themselves since 1966 or the meetings at Saskatchewan each year. There is co-ordination going on through Mr. Lagassé's department. But there is a fault that lies in the lap of the friendship centres in failing to communicate among themselves. At the same time, there is nothing else coming to us from Mr. Lagassé's department as to what is going on in the West, what is going on in the East and so forth.

May I also say that this original proposal of the Indian-Eskimo Association of Canada has been received favourably by most of these departments but no one seems to want to get up on his white charger and go galloping off into the distance and seize the reins and get it organized and going. I think everyone feels that we have a responsibility and that we should be doing something, but, you know, everybody is waiting for "George" to get going. And if these departments, for example, who have this fundamental responsibility in each of these vertical structures could get together and say, "O.K., I will chip in $20; I will chip in $40. Let us get something off the ground", of course, then, they would have to fight over who is going to run the cotton-picking thing.

The Chairman: Mr. St. Pierre?

Mr. Borrie: Mr. Chairman, may I ask a supplementary?

The Chairman: I think our supplementaries are getting a little extended here. Mr. St. Pierre is next on our list.

Mr. St. Pierre: Thank you, Mr. Chairman. I have a series of questions here which I think require fairly brief answers. In effect, I am asking for opinions. I am asking all our witnesses who are from the friendship centres—I would welcome any replies from Mr. Lagassé also but I think he may feel that these are questions of policy which he would not wish to involve himself with—and perhaps I could set these questions one by one and ask the representatives from the friendship groups to answer in the order in which they spoke.

One of the points which has been made here today is that there is a dual role being played by most friendship centres. One is cultural and social; the other extends into the field of welfare and social services. I would like the feelings of you gentlemen in regard to this. Would you prefer that Indian friendship centres should not deal in any way with welfare and social services? Would it be bet-

[*Interpretation*]

M. Currie: Rien de façon générale entre les centres eux-mêmes depuis 1966, ou depuis la réunion en Saskatchewan chaque année. Par l'intermédiaire de la Direction de M. Lagassé on cherche à coordonner les activités, mais je crois qu'on peut reprocher aux centres d'accueil de ne pas avoir assez communiqué entre eux. Rien ne nous arrive non plus du service de M. Lagassé, au sujet de ce qui se passe dans l'Est ou dans l'Ouest.

Cette proposition initiale de l'Association des Indiens et des Esquimaux du Canada a été accueillie favorablement par la plupart des ministères, mais aucun ne veut voir à ce que cela soit réellement mis en œuvre. Tout le monde estime que nous avons des responsabilités. Il faut quelque chose pour faire démarrer le projet, mais chacun compte sur l'autre pour le faire. Si ces ministères, par exemple, qui ont cette responsabilité fondamentale pouvaient se réunir et dire: nous allons mettre quelque chose en marche, on va se cotiser, évidemment on pourrait se demander qui va diriger le programme.

Le président: M. St. Pierre.

M. Borrie: Monsieur le président, puis-je poser une question supplémentaire?

Le président: Les questions supplémentaires sont un peu longues. M. St. Pierre est le suivant sur la liste.

M. St. Pierre: Merci monsieur le président. J'ai une série de questions à poser qui ne pourraient exiger que des réponses brèves. Ce que je demande ce sont des opinions en somme. Je voudrais demander à tous nos témoins, j'aimerais que M. Lagassé me réponde également, il estimera peut-être que ce sont des questions de politique et qu'il n'entend pas se prononcer là-dessus. Je pourrais peut-être poser mes questions une par une et demander aux représentants des centres d'accueil d'y répondre dans l'ordre dans lequel ils parlent habituellement.

Les points qu'on a mentionnés ici aujourd'hui c'est que la plupart des centres jouent un double rôle. D'abord, un rôle culturel et social, et deuxièmement, un rôle dans le domaine de l'assistance et des services sociaux. Je voudrais votre sentiment à ce sujet, messieurs. Est-ce que vous préféreriez que les centres d'accueil indiens ne soient pas liés aux services de bien-être et d'assistance?

[*Texte*]

ter if they were able to confine themselves entirely to social-cultural affairs?

• 1235

Mr. Currie: Since I spoke first I guess I am supposed to answer first. You cannot get a red-and-white answer to that question because, as Andrew pointed out, it varies from community to community. It would probably be ideal if a friendship centre could be a social and cultural centre and the word "friendship" were stressed so that it would provide a place for both Indians and non-Indians to meet and to get to know one another. But I think we must also accept the fact that many of our Indian people who come to cities will not talk to agencies. If this could be surmounted by having agencies capable of handling and meeting the needs of these people, then maybe in a process of evolution the welfare role of centres would disappear. In Toronto we are a few blocks farther from where you would find many Indian people living who need welfare help, and yet they will walk past the Sally Ann clothing centre and come to us to be helped out with clothing—which is rather intriguing.

The Chairman: Mr. Keeper, do you have a comment on that question?

Mr. Keeper: Yes. What I have to say does not differ appreciably from what Mr. Currie has said. I think the whole idea upon which the friendship centre movement was founded was this idea of bridging a gap and that the original idea was that a centre would be both a friendship centre where Indian people could come and where they would feel at home—a social centre—and also a referral centre. Unfortunately, as Mr. Bear Robe pointed out earlier, what has happened in a great many cases is that there is a reverse flow which has led to friendship centres getting into the social delivery system business such as court work and so.

I like to mention the Province of Manitoba and its community development branch. It instituted a division a couple of years ago which I think is a part of this whole idea and which would refer to Mr. Orange's question earlier. Their idea is that government work on the reserves to help people who wish to move into cities—an interpretation-motivational type of counselling right at the reserve level so that the people who are interested in moving might know a little about what they are moving into. This has gone on. When people move into the city there are what are known as guidance counsellors who work with the individual families up to a point in time when they do not need this type of

[*Interprétation*]

Serait-il préférable qu'ils se limitent uniquement aux affaires culturelles et sociales?

M. Currie: Je suppose que c'est à moi de répondre. On ne peut pas répondre par un oui ou par un non, car comme on vous l'a dit, tout dépend de la collectivité en cause. Il serait peut-être idéal que ces centres soient des centres sociaux et culturels et qu'on renonce au mot accueil afin de permettre aux Indiens et aux non-indiens de se mieux connaître, il faut aussi accepter le fait que beaucoup d'Indiens qui viennent à la ville ne veulent pas s'adresser à des organismes. Cette difficulté pourrait être surmontée si nous avions un organisme capable de s'occuper d'eux et qui pourrait aller à la rencontre de leurs besoins. Et peut-être qu'avec le temps le rôle d'assistance sociale de ces organismes finirait par disparaître. A Toronto, nous sommes à quelques pas d'une maison où vivent des Indiens, qui ont besoin d'une aide sociale mais qui passent tout droit devant le centre de vêtements *Sally Ann;* et viennent nous demander des vêtements, ce qui est plutôt étrange.

Le président: Est-ce que M. Keeper pourrait nous dire ce qu'il en pense?

M. Keeper: Ce que j'ai à dire, ne diffère pas beaucoup de ce que M. Currie vient de dire. Je crois que l'idée sur laquelle se fonde le mouvement des centres d'accueil a été fondée pour combler un vide et l'idée initiale c'était de créer un endroit où l'Indien pourrait venir et se sentirait chez lui et qui serait aussi un centre d'orientation. Malheureusement, comme l'a signalé M. Bear Robe, ce qui est arrivé dans bien des cas c'est l'inverse qui s'est produit.

Le Manitoba a établi il y a quelques années une division du développement communautaire qui, je crois, répond à cette idée et qui se rattache un peu à la question que M. Orange a posée plus tôt, que le gouvernement aide les Indiens des réserves qui veulent se déplacer vers la ville; il s'agit d'un système de consultation de motivation au niveau de la réserve, afin que les gens qui sont intéressés à déménager soient un peu au courant de ce qui les attend. Et lorsque ces gens se rendent à la ville il y a des conseillers en orientation qui les aident à s'adapter jusqu'au moment où ils n'ont plus besoin de ces conseils.

[*Text*]

counselling. I think this is a lot of what friendship centres are doing also.

The friendship centre in Winnipeg is doing this type of work because there is a lack of adequate staff in the vocational opportunities services, as it is known, to provide this type of counselling. But I think certainly until there is a point in time at which this service delivery system can provide the type of service that is required, friendship centres will have this dual role to play.

Mr. Bear Robe: In answer to your question, sir, I would like to get into the very basics of this situation. First of all we have to consider the fact that the Indian people were conditioned to be introverts from being classed by the majority of our Canadian society as second-class citizens. Also they have been conditioned for a great number of years to social dependency on some agency which they expect to do miracles for them. Therefore, this type of situation would continue to exist as long as the Indian people are ill-educated, ill-stituated, financially and socially speaking. Therefore you will always find that when they come to the city they would rather seek help from their own people before they would seek help from an agency which is run by the—for lack of a better term—the white man. So therefore, it is a type of situation which is difficult to curtail at this moment, and I believe it will continue to exist until the Indian people themselves have become better educated, and also when a number of their own people are in a position in our society to be able to legislate.

What I mean by this is that until we have more Indian people in municipal governments, in provincial governments, and in the federal government, who are able to legislate policies, the Indians will always be dependent on someone else to do the work for them.

I think these are the basics that we have to look at and consider, and when you start saying that friendship centres should not consider taking them in, as I mentioned before, first of all, many agencies in the city do not know how to deal wih Indian clients. Many of them often lack the incentive to deal with Indian clients. So therefore our co-worker at Calgary is quite overworked because of this type of phenomenon, and he is doing the job as adequately as he can. My essential argument is this. It is pretty hard to remain strictly a social and cultural centre.

Mr. St. Pierre: Thank you. I am sure nobody would agree with you on that. My next question concerns the division of responsibility in this matter. Generally speaking, the Department of Indian Affairs is responsible

[*Interpretation*]

Je pense que c'est ce que font aussi plusieur centres d'accueil. A Winnipeg, le centre d'accueil fait ce même travail parce qu'on manque du personnel suffisant dans les autres services professionnels pour assurer ces conseils. Tant qu'on n'atteindra pas le moment où le service général d'assistance peut assurer les services qui sont nécessaires, les centres d'accueil auront ce double rôle à jouer.

M. Bear Robe: Pour répondre à votre question, je voudrais en venir aux principes fondamentaux. D'abord, il faut bien se dire que les Indiens ont été pressés par les circonstances et considérés par la majorité de notre société canadienne comme des citoyens de deuxième ordre et depuis de longues années ils ont le complexe de leur dépendance sociale vis-à-vis de certains organismes dont ils attendent des miracles. Cet état de choses se perpétuera aussi longtemps que les Indiens manqueront d'instruction parce qu'ils sont mal situés, financièrement et socialement.

On constatera toujours que lorsqu'ils se rendent à la ville, ils demanderont plutôt de l'aide à leurs congénaires, avant de s'adresser à un organisme dirigé par—à défaut de terme plus juste—le blanc. Par conséquent, c'est une décision très difficile à améliorer pour le moment, et je crois qu'elle continuera d'exister tant que les Indiens eux-mêmes ne seront pas plus instruits et aussi tant qu'un certain nombre des leurs n'atteindront pas une situation dans notre société qui leur permettra de légiférer.

Je veux dire par là que tant que nous n'aurons pas plus d'Indiens aux gouvernements municipaux, provinciaux et au gouvernement fédéral qui peuvent établir des lignes de conduite, les Indiens dépendront toujours des autres pour faire le travail à leur place.

Je crois que ce sont les points fondamentaux que vous devez considérer, et quand vous dites que les Centres d'accueil ne devraient pas les considérer comme je l'ai dit plus tôt, tout d'abord, beaucoup d'organismes dans la ville ne savent pas comment traiter leurs clients indiens. Souvent, beaucoup ne sont pas motivés. Par conséquent, notre collaborateur à Calgary est surchargé à cause de ce phénomène, et il fait tout ce qu'il peut. C'est mon argument principal. Il est passablement difficile de demeurer un centre exclusivement culturel et social.

M. St. Pierre: Merci, je suis sûr que tout le monde serait d'accord. Mon autre question porte sur la répartition des responsabilités en la matière. Règle générale, le ministère des Affaires indiennes est responsable de la plu-

[*Texte*]

for most matters concerning Indians in Canada. The Department of Health and Welfare has some responsibility. In this we have a third department, the Department of the Secretary of State.

How do you gentlemen feel individually about this? Are you satisfied that it should be under the Department of the Secretary of State? Would you prefer that it be under the Department of Indian Affairs? Or do you perhaps feel that it makes no difference one way or the other, if adequate funds are provided?

Mr. Currie: Not Indian Affairs. I would say this categorically, in reaction to the comments Indian people across the country make concerning matters at present in existence, which are under the domination and control of the Department of Indian Affairs.

Mr. St. Pierre: Thank you. Mr. Keeper.

Mr. Keeper: First of all, being part of the Manitoba Metis Federation, and the whole idea of what Indians are, Section 91(24) of the BNA Act states quite explicitly, it seems, that the federal government has exclusive legislative jurisdiction over Indians and Indian lands. If status Indians wish to pick this up, and extend it into welfare, into the friendship centre movement, it seems to me that they will have a fairly good argument here.

• 1245

There are 250,000 to 300,000 people in Canada who are Indians in fact, but because of this artificial barrier that has been set up by the federal government, you have to have a number and be registered before you can have a status as an Indian. This has implications as to who—certainly the Indian Affairs Branch could not take this type of responsibility because they recognize only status Indians on Indian lands. The fact is that Indian people are Indian people when they come into the city. They are recognized because of their blood and not because of their status. So I think this points out that actually it could not come under any particular act of government. They are Canadian citizens.

Mr. Bear Robe: I would tend to agree with the two previous gentlemen who spoke, that it should not come under IAD, simply because I feel this would greatly upset the organizations of the department as such. Secondly, the policy of friendship centres, insofar as Indian people are concerned—they do not make any distinctions between a treaty Indian and a non-status Indian and a Metis person. They do not make any distinctions What they are asking is this: is this person

[*Interprétation*]

part des questions qui intéressent les Indiens au Canada. Le ministère de la Santé nationale et du Bien-être social a quelques responsabilités. Nous avons un troisième ministère, le Secrétariat d'État.

Qu'en pensez-vous personnellement, messieurs? Êtes-vous convaincus que cela doit relever du Secrétariat d'État? Préféreriez-vous que la responsabilité incombe au ministère des Affaires indiennes? Ou est-ce que cela importe peu, pourvu qu'il y ait suffisamment de fonds?

M. Currie: Pas les Affaires indiennes! Je le dis catégoriquement devant les commentaires des Indiens de tout le pays sur des questions qui existent actuellement et qui relèvent du ministère des Affaires indiennes.

M. St. Pierre: Merci! Monsieur Keeper.

M. Keeper: D'abord, comme membre de la Manitoba Metis Federation, l'article 91(24) de l'Acte de l'Amérique du Nord Britannique stipule très expressément que le gouvernement fédéral a la juridiction législative exclusive sur les Indiens et sur les terres indiennes. Si les Indiens à statut d'Indiens veulent l'étendre aux centres, il me semble qu'ils auront un argument passablement solide.

Il y a entre 250,000 et 300,000 personnes au Canada qui sont, de fait, des Indiens, mais à cause de cette barrière artificielle qu'a dressée le gouvernement fédéral, vous devez avoir un numéro et être enregistré avant d'avoir le statut d'Indien. Cela a des implications quant à l'identité—la Direction des Affaires indiennes ne peut certainement pas assumer cette responsabilité, parce qu'elle ne reconnaît que les Indiens qui habitent des terres indiennes et qui ont le statut d'Indien. Ces Indiens sont des Indiens quand ils vont demeurer à la ville. Ils sont reconnus à cause de leur sang, et non pas à cause de leur statut. Je pense donc que cela indique que cela ne pourrait relever d'une loi particulière du gouvernement. Ils sont citoyens canadiens.

M. Bear Robe: Je tendrais à être d'accord avec ces deux messieurs, à l'effet que cela ne devrait pas relever des Affaires indiennes simplement parce que je crois que cela pourrait grandement ébranler l'organisation du ministère lui-même. Deuxièment, la politique des centres d'accueil, pour ce qui touche les Indiens, est de n'établir aucune distinction entre les Indiens des traités, les Indiens sans statut et les métis. Ils n'établissent aucune distinction. Ils se demandent: cette personne

[*Text*]

who is in my office now, is he a person who needs help? Therefore, as long as I have some assurance that he is Indian, that is good enough for me.

I am not implying that we discriminate against other ethnic groups or races, but we do adopt a policy whereby we do not make any fine-line distinctions among Indian people. So, therefore, I would like to see the jurisdiction or the support for the friendship centres under a department which conforms to proper opinion of the people responsible for the administration of friendship centres in Canada, and also a department which is quite understanding and sympathetic. I think these are the main criteria to look at.

Mr. St. Pierre: Just to clarify that, you are satisfied with the Department of the Secretary of State in these respects?

Mr. Bear Robe: Yes, I would say so.

Mr. St. Pierre: Thank you. Mr. Chairman, I do not want to monopolize this. I had several other questions, but perhaps I could ask one more. We have heard of the situation in funds. There is only $100,000, although this was stretched last year to $121,000. I would like to ask the witnesses in turn, how large a fund should be available for this year, and to what extent should it grow in the foreseeable future? What are your estimates of the money required?

Mr. Currie: Let me ask a question in turn. Do you ask this on a very broad basis, disregarding the pocket out of which this money comes? Or do we look at this as a source of funds which may come from only the Secretary of State's pocket? Or does this come from two or three other pockets?

Mr. St. Pierre: I am asking really what federal government funds you feel you will need now, and will need in future. You, in your own thinking, of course, will be considering that there are other sources of revenue. But it is the federal government contribution to which my question is directed.

Mr. Currie: I would say a minimum of either doubling or tripling the present moneys at the very least, and I do not think that this will be enough if the total attack is going to be made upon first a cure role, and second—probably more important—a preventive role.

Mr. St. Pierre: Thank you.

[*Interpretation*]

qui est dans mon bureau actuellement a-t-elle besoin d'aide? En conséquence, tant que j'ai une certaine certitude qu'il est Indien, cela me suffit.

Je ne veux pas dire que nous faisons de la discrimination contre les autres groupes ethniques ou les autres races, mais nous avons pour ligne de conduite de ne pas faire de distinctions subtiles entre les Indiens. Je voudrais donc voir la juridiction des Centres relever d'un ministère qui se conforme à l'opinion des gens responsables de l'administration des Centres d'accueil au Canada, et aussi un ministère qui soit compréhensif et sympathique. Je crois que ce sont là les critères principaux à envisager.

M. St. Pierre: Pour clarifier la situation, Est-ce que vous êtes satisfait du Secrétariat d'État à cet égard?

M. Bear Robe: Oui.

M. St. Pierre: Merci. Je ne voudrais pas monopoliser l'interrogatoire. J'ai plusieurs autres questions, mais vous me permettrez peut-être d'en poser une autre. On nous a exposé l'état des fonds. Il n'y a que $100,000, bien que cela ait été porté à $121,000 l'an dernier. Je voudrais demander aux témoins, chacun leur tour, de quelles sommes ils auraient besoin cette année, et dans quelle mesure elles devraient augmenter dans l'avenir immédiat? Quelle est votre prévision des sommes requises?

M. Currie: Laissez-moi vous poser une question moi aussi. Posez-vous cette question de façon très générale, indépendamment de l'origine des fonds? Ou considérez-vous le tout comme une source de fonds qui ne peut venir que des coffres du Secrétariat d'État? Ou encore, les fonds proviennent-ils de deux ou trois autres sources?

M. St. Pierre: Je demande de quels fonds du gouvernement fédéral vous avez besoin maintenant ou vous aurez besoin à l'avenir. Évidemment, selon votre propre point de vue, vous tiendrez compte du fait qu'il y a d'autres sources de revenus. Mais je voudrais savoir ce que vous demanderiez au gouvernement fédéral.

M. Currie: Au minimum, il faudrait doubler ou tripler la somme actuelle au moins et je ne crois pas que cela serait suffisant si l'ensemble de l'effort sera d'abord fait comme remède, tout d'abord, puis, ce qui est sans doute plus important, comme prévention.

M. St. Pierre: Merci.

[*Texte*]

• 1250

Mr. Cullen: Could I ask Mr. Currie a supplementary question? Mr. Currie, do you feel that you should concentrate these friendship centres on getting more of them first, and then giving them effective roles? Or do you think you should take one, for example like Toronto, the one you have there, and expand all its facilities and set that up as a guideline? Which way do you feel? Should you have more friendship centres and then give them a role, or get operating centres and give them many and varied roles?

Mr. Currie: That is a tough question, in a way. I think, as was pointed out by Mr. Bear Robe, that there should be a training centre for friendship centre staff people, first of all. I think then that communities, and the town fathers of our various respective communities, should be wise enough and humanitarianly pointed enough to recognize that there are problems relating to people who come in and spend their money in those towns, or who move into their towns seeking employment. So these people will present a need, and then draw from the training centre the staff required to meet these needs. I do not think I can be really any more specific than that, without being an all-seeing eye, and I am not.

The Chairman: Thank you, Mr. Currie. Mr. Deakon has a question.

Mr. St. Pierre: May I have answers from the other witnesses, Mr. Chairman, on funds?

Mr. Keeper: What I am going to say will not be very different from what Mr. Currie has already said. I think that with the present state of friendship centres—the present role of friendship centres, relating this to salary, training evaluation, and so on—the federal contribution should be at least doubled or even tripled.

The Chairman: Mr. Bear Robe.

Mr. Bear Robe: Again I am in agreement with the two previous gentlemen. A friendship centre should have enough confidence when it comes to programming, and this is directly related to the amount of money that is allocated each year. Therefore we should be able to carry on with confidence as far as acquiring new personnel is concerned. If a situation requires that we obtain new personnel and also if the present local situation requires that we introduce new programs, we should not have to say, "Gee, we cannot afford that". I think the friendship centres have to more or less keep in tune with the

[*Interprétation*]

M. Cullen: Puis-je poser une question supplémentaire à M. Currie? Croyez-vous que vous devez augmenter le nombre des Centres, puis leur assigner un rôle efficace? Ou croyez-vous que vous devriez en prendre un, comme celui de Toronto, en étendre tous les services pour qu'il serve de modèle? Qu'en pensez-vous? Est-ce que vous voulez avoir plus de Centres d'accueil, puis leur donner un rôle, ou avoir des centres fonctionnels et leur donner des rôles nombreux et variés?

M. Currie: C'est une question difficile dans un sens. Comme l'a dit M. Bear Robe, je crois qu'il devrait y avoir un centre de formation pour le personnel des centres, d'abord. Je pense ensuite que les collectivités et les responsables de nos localités respectives devraient être assez humains et sages pour reconnaître qu'il existe des problèmes pour les gens qui viennent dans ces villes et y dépensent leur argent, ou qui cherchent de l'emploi. Ainsi, ces gens auront un besoin et ils obtiendront du centre de formation le personnel nécessaire pour répondre à ces besoins. Je ne crois pas pouvoir être plus précis à moins d'être voyant, ce que je ne suis pas.

Le président: Merci, monsieur Currie. M. Deakon a une question à poser.

M. St. Pierre: Puis-je avoir l'opinion des autres témoins sur les fonds?

M. Keeper: Mon point de vue ne diffère guère de ce que M. Currie vient de dire. Je crois qu'avec l'état actuel des centres d'accueil, leur rôle actuel, en fonction du salaire, de l'évaluation de la formation et ainsi de suite, la contribution du gouvernement fédéral devrait au moins doubler ou même tripler.

Le président: Monsieur Bear Robe.

M. Bear Robe: Oui, encore une fois, je suis d'accord avec les deux personnes qui viennent de parler. Un centre d'accueil doit jouir d'une confiance suffisante lorsqu'il s'agit d'établir notre programme, et ceci nous mène directement au montant des subventions qui lui sont attribuées chaque année. Ainsi nous devrions être capables d'engager du nouveau personnel. Si la situation nous oblige à engager du nouveau personnel et si d'une façon plus régionale il nous faut introduire de nouveaux programmes, il ne faudrait pas que nous soyons obligés de dire: «Eh bien! nous ne pouvons pas nous engager dans ces

[*Text*]

times. They have to take a serious look at the social predicaments of the Indian people in a particular local area. They always have to keep in touch and keep up with the times. If they do not do this they will become obsolete. Perhaps this is an indirect answer to your question.

Also, when you look at the possibility of new friendship centres coming into being you have to seriously consider if the community needs them.

I do not think we should have a policy where we could say, "Next year I think we should have about three more friendship centres in Alberta", without taking into consideration whether the three communities need those friendship centres. I think this is the essential point that the various administrators and people responsible for the establishment of new friendship centres are making.

Mr. St. Pierre: You would agree that two or three times as much federal money is needed?

Mr. Bear Robe: Yes.

Mr. Currie: Mr. Chairman, may I come back to this? I am always worried when somebody asks me a question like this, and I think most Indian people are, because you are asking the kind of question that cannot be pinned down with a clear-cut, budget-type answer and, by gosh, that is...

Mr. St. Pierre: It is going to be by a government and always is by a government.

Mr. Currie: I realize this and yet if we are going to create—if you will excuse the phrase—a just society, then by gosh and by golly we had better be able to do something if the need arises, if the need is there, or if the need is going to be recognized. For example, the number of Indian students who are going to school each year is increasing and when you look at an Indian community like Pikan-

• 1255

gikum or Gods Lake, or something like this, which is thousands of miles away from "urban civilization", you wonder why these children are going to school. We are giving them more education but where are they going to go?

Our Indian and Eskimo population is growing by leaps and bounds in our urban centres

[*Interpretation*]

dépenses.» Ainsi je pense que les centres d'accueil doivent plus ou moins serrer de près l'actualité. Ils doivent s'occuper sérieusement des besoins d'ordre social du peuple indien dans des régions particulières. Ils doivent toujours rester en contact avec les gens et l'actualité, sinon ils deviennent très vite désuets. Ceci est peut-être la réponse indirecte à votre question, lorsque vous regardez les possibilités d'établir de nouveaux centres d'accueil, il faut se pencher sérieusement sur la question de savoir ce que la communauté désire.

Je pense que nous ne devrions pas avoir une politique par laquelle nous dirions: «Eh bien! l'année prochaine je pense qu'il nous faudrait ouvrir trois nouveaux centres d'accueil en Alberta». Surtout si on ne prend pas en considération les besoins de ces trois communautés pour un centre d'accueil. Ainsi je pense qu'il est essentiel que les divers administrateurs, les responsables de l'établissement de nouveaux centres d'accueil soient conscients de ces besoins.

M. St. Pierre: Êtes-vous d'accord qu'il vous faudrait au moins deux ou trois fois plus d'argent du gouvernement fédéral?

M. Bear Robe: Oui.

M. Currie: Monsieur le président, pourrais-je revenir sur ce sujet? Je suis toujours contrarié lorsque quelqu'un me demande une question telle que celle-ci. Je pense que la plupart des Indiens le sont aussi, parce que vous posez une question à laquelle il ne peut pas être répondu d'une façon claire, nette et précise...

M. St. Pierre: Ceci est toujours fait par le gouvernement.

M. Currie: C'est exact. Je comprends cela, mais cependant nous voulons créer, et vous me pardonnerez les mots, une société juste, mille sabords, nous ferions mieux d'être prêts à faire quelque chose si les besoins s'en font sentir ou si ces besoins existent, ces besoins doivent être reconnus. Par exemple, le nombre des écoliers indiens qui vont à l'école augmente chaque année et lorsque vous vous asseyez et regardez une communauté indienne telle que Pikangikum ou Gods Lake, ou une communauté semblable, qui est à plus de mille milles de la civilisation urbaine, vous vous demandez pourquoi ces enfants vont à l'école? Plus nous leur donnons d'éducation moins ils sauront où se diriger.

Notre population indienne, notre population esquimaude, dans nos centres urbains, aug-

[*Texte*]

and the problems are also magnifying by leaps and bounds, but the answers and the solutions are minute.

Mr. Borrie: May I ask a supplementary which to me is very deeply related to the discussions that have gone on with regard to financing. I could editorialize for quite some time but I will not do that. I will ask a very brief question. Do the witnesses feel that all friendship centres should be fully financed and operated by the respective governments in collaboration with each other? Is this what we are really pinning it down to?

Mr. Bear Robe: That is a pretty difficult question to answer at this time. As I mentioned, it depends on the tune of the times. If you asked, "Are you implying they should be fully financed for all programs they are going to implement in the future?" I do not think I would be able to answer that question. If you could be a little more...

Mr. Borrie: You see, you call for an expanded role. You speak about long range programs, this type of thing, and about being government-oriented and government-co-ordinated. This is really what I am trying to get at to see what your thinking is.

Mr. Bear Robe: I think the friendship centres should at least have some assurance that they will be able to expand. That is the only way I can answer your question. That they will be able to say, "Next year we are going to implement new programs and we are going to add so many more people to our staff". In order to deal with the present social situation or in order to deal effectively with this type of program, they should be in a situation where they can do this.

The Chairman: But I take it you would prefer that you should not be completely dependent upon governments for your financial support. You would prefer to have other sources of support as well, would you not?

Mr. Borrie: Yes, participation by society as a whole rather than just by legislation.

[*Interprétation*]

mente par bonds et les problèmes sont rendus encore plus aigus par ces bonds et les réponses ainsi que les solutions devraient surgir à l'instant. Merci.

M. Borrie: Puis-je poser une question supplémentaire? Ma question est reliée directement aux discussions qui ont eu cours vis-à-vis du financement des centres d'accueil, et là je pourrais élaborer plus longuement, ce que je ne ferai pas, je poserai donc une brève question à savoir si le témoin pense que tous les centres d'accueil devraient être financés entièrement et exploités complètement par les gouvernements respectifs dans une collaboration étroite? Est-ce que c'est réellement le point que vous voulez soulever?

M. Bear Robe: Il s'agit là d'une question très difficile à répondre. Comme je l'ai mentionné, cela dépend de l'actualité. Aussi loin que je puisse vous dire, estimez-vous qu'ils devraient être entièrement financés pour tous les programmes que les centres devraient mettre sur pied pour le futur? Je pense que je ne serais pas capable de répondre à cette question. Et vous pourriez être un petit peu plus précis...

M. Borrie: Vous voyez vous-même, vous vous engagez dans un programme d'expansion. Vous parlez des programmes à long terme, de ce genre de choses qui sont définies par le gouvernement et organisées par ce dernier. C'est exactement ce que je voulais essayer de savoir au sujet de vos idées dans ce domaine.

M. Bear Robe: Je pense que les centres d'accueil devraient avoir au moins l'assurance qu'ils seront capables de pourvoir à une certaine expansion. C'est la seule façon dont je peux répondre à votre question, il faut que ces centres soient capables de dire: «l'année prochaine nous serons capables de mettre en vigueur de nouveaux programmes et nous allons engager un certain nombre de personnes». Pour pouvoir faire face à la présente situation sociale ou pour faire face avec efficacité à ce genre de programmes, les centres doivent être dans une situation telle, qu'ils n'aient aucun doute à ce sujet.

Le président: D'après ce que je comprends vous aimeriez cependant être moins complètement dépendants des gouvernements pour vos problèmes de financement. Vous aimeriez mieux avoir d'autres sources de fonds, n'est-ce pas? Je pense que c'est ..

M. Borrie: Oui. Ce que nous cherchons c'est la participation de la communauté, de la société, plutôt que simplement l'appui d'un gouvernement au moyen de mesures législatives.

[*Text*]

Mr. Bear Robe: You are talking about community support. As I Mentioned before, I think the main source of funds that we get from the community is the United Appeal, and every year we have to prove to them that we are an essential part of that community. We have to prove it by statistics and we have to prove it by good financial administration as far as spending grants on various types of programs is concerned. The other source of income from the community is by way of private donations and in Calgary we are now at the point where we are—because we continually ask people for money—in sort of an embarrassing situation. We have been in operation for four years and right now we are sort of curtailing some of our programs so that we will not have to spend so much money.

Mr. Keeper: I believe as long as friendship centres are playing this dual role of providing special services that the government would otherwise probably have to provide, that there is a responsibility at both the provincial and federal level to fund friendship centres. I believe that frienship centres evolve just as

• 1300

other organizations do, and I would like to see the time come when friendship centres are part of native organizations. Even at this particular level I think if the native organizations had more strength, that as part of their total program they could get certain funding from the federal and provincial government.

However, I believe as long as they are playing their present role that there is responsibility on the part of government to provide funds for this type of service.

The Chairman: Mr. Lagasse, do you have something you would like to say?

Mr. Lagassé: I qualified my reply earlier when you mentioned what the criteria was for allocating funds to a particular centre in a particular community, and you will recall I mentioned that the willingness of the community to finance the centre was a factor and I added that at this stage it is not much of a factor in the discussion making process. I

[*Interpretation*]

M. Bear Robe: Très bien, vous parlez maintenant du support de la communauté. Comme je l'ai mentionné auparavant, je pense que la source principale de revenus que nous devrions obtenir de la communauté est celle de la Fédération des œuvres et ainsi chaque année nous avons à leur démontrer que nous faisons partie intégrante de cette communauté. Nous avons à le prouver soit par des données statistiques soit par une saine administration financière. Ainsi que de la façon dont nous dépensons nos subventions sur différents programmes. L'autre source de revenus pour la communauté provient des différentes donations privées, et au point où nous en sommes actuellement à Calgary, par exemple, à cause de notre demande continuelle d'argent, nous sommes dans une situation très embarrassante. Nous sommes en fonction depuis quatre ans, mais, même si nous sommes actuellement obligés de limiter certains de nos programmes, nous devons nous préoccuper de ne pas dépenser trop d'argent.

M. Keeper: Je pense, comme vous le savez du reste, qu'aussi longtemps que les centres d'accueil jouent un rôle double, en pourvoyant à des services culturels et à des services spéciaux, que le gouvernement voudra en toute probabilité voir que d'une façon générale la responsabilité retombe sur le gouvernement provincial et le gouvernement fédéral en ce qui a trait au financement de ces centres. Je crois que les centres d'accueil ont évolué comme toutes les autres organisations, mais j'aimerais voir l'époque où les centres d'accueil seront partie intégrante des organisations indiennes, et même à ce niveau particulier je pense que ces organisations indiennes devraient avoir une aide plus forte comme partie intégrante de leur programme et recevoir certains fonds des gouvernements provinciaux et fédéral.

Je pense que tant et aussi longtemps qu'ils jouent le rôle qu'ils ont actuellement, il y a là une responsabilité du gouvernement de pourvoir à des subventions pour ce genre de services.

Le président: Monsieur Lagassé, avez-vous quelque chose d'autre à ajouter?

M. Lagassé: J'ai défini ma réponse plus tôt lorsque vous avez mentionné quels devaient être les critères pour allouer des fonds à un centre en particulier dans une communauté particulière. Et vous avez mémoire que j'ai mentionné un critère principal, soit la volonté de la communauté de financer elle-même ce centre, et j'ai ajouté ensuite qu'à ce stade il

[*Texte*]

would like to just say something on that. You see, what happens periodically in communities is that the standard agencies refer the cases that come to them to the friendship centres.

Suppose a person has a family problem and he goes to a family bureau. If that person is an Indian the family bureau will say, "I will refer you to the friendship centre", instead of the other way around, and you get down to a situation which is a real problem, and that is giving the capacity to social agencies to deal with the Indian question.

This is the problem, of course, which comes up in discussions about the Royal Commission on Bilingualism and Biculturalism, where they say that federal services should have a bilingual capacity. The same kind of thing exists here, you see, with respect to whether there is a capacity in the social agency to give in a satisfactory manner the people of Indian ancestry the services which they provide to the general public. At the beginning there was a danger that if substantial funds had been provided to the first friendship centres it would have just encouraged the social agencies to relate these friendship centres as they do with Indian Affairs, saying, well that is a federal responsibility, so we will not do anything about it, thereby further segregating people of Indian ancestry.

This was a real problem at the beginning. It is a recurring one, in a sense, because at any given time there is a tendency in agencies to try to refer to somebody else a problem which is difficult to deal with. If that somebody else is a friendship centre that has a big heart it says, sure, we are going to do this, without going back to the agency and this is what most centres have done. When they discover that one agency does that too often they go and meet with the Board and say, look, there is a service which you do not appear to be providing to people of Indian ancestry, and so on, but this question of giving capacity to deal with people with the Indian culture to agencies is very much a factor of that reply.

Mr. Deakon: What difference, Mr. Lagassé, is there between people from other ethnic groups such as Italians, Portuguese, Ukrainians, or any other nationality when they are seeking assistance and these agencies for the Indians?

[*Interprétation*]

n'y avait pas grand facteur de décision au sein du groupe, mais je voudrais aussi ajouter qu'à cause de ce qui arrive fréquemment dans les communautés, les organisations normales réfèrent aux centres d'accueil des cas qui leur sont présentés.

Je pense particulièrement maintenant à une personne qui a des problèmes de famille. Elle se dirige vers le bureau d'aide familiale. Si cette personne est un Indien, le bureau d'aide familiale lui dira: «Je vais vous envoyer au centre d'accueil», au lieu de s'en occuper lui-même. Ainsi vous revenez à la situation où l'on trouve le véritable problème, celui des divers services sociaux et des questions indiennes.

Je veux dire par là qu'il y a un problème semblable à celui qui est apparu dans les discussions concernant la Commission royale d'enquête sur le bilinguisme et le biculturalisme lorsque cette dernière Commission déclare que les services du gouvernement fédéral devraient être bilingues. Ainsi le même genre de problème existe ici. A savoir s'il y a possibilité pour les services sociaux de donner d'une façon satisfaisante aux Indiens les services qu'ils procurent en général au grand public. Voilà le commencement du danger. C'est-à-dire qu'il y avait des fonds importants pour les premiers centres d'accueil et cela a encouragé les services sociaux à relier ces centres d'accueil aux affaires indiennes, en disant: «eh bien, c'est une responsabilité fédérale, ainsi nous ne ferons rien dans ces cas.» Ce qui continuait la ségrégation du peuple indien.

C'était un veritable problème au début. C'est un problème qui réapparaît de temps à autre parce qu'à n'importe quel moment les services sociaux ont toujours cette tendance d'essayer de renvoyer à une autre autorité un problème difficile à résoudre. Si cette autre autorité est un centre d'accueil au grand cœur, il s'occupera de la question sans retourner auprès du service social en question, c'est ce qu'ont fait la plupart des centres. Lorsque le centre d'accueil constate qu'un service social ne remplit pas son devoir dans le sens voulu, le centre d'accueil discute la question avec le service social voulu. Mais la réponse est souvent qu'ils n'ont pas l'autorisation de s'occuper des Indiens.

M. Deakon: Quelle différence y a-t-il M. Lagassé, lorsque les gens d'autres origines ethniques tels que les Italiens, les Portugais, les Ukrainiens ou toutes autres nationalités qui recherchent une assistance sociale, quelle différence y a-t-il entre leur cas et celui des Indiens?

[*Text*]

Mr. Lagassé: Once again, we have only so much time. I think the first and most evident answer is the fact of what people are saying about the service they receive. In Toronto there are 250,000 Italians and 10,000 Indians or people of Indian ancestry. What are their comments? If you take a good sample opinion, what would they say? If they say something that is different, then I say there is something different. Now, you ask what it is. Some time ago there was a film made about education . . .

Mr. Deakon: Just a second; I do not have to have a long recitation. Do you not feel that they too have problems when they try to assimilate in a community?

• 1305

Mr. Lagassé: Sure they do, but there are agencies that deal with them. The International Institute in Toronto has a budget of $150,000; there is Christopher House and so on, and from the Department of Citizenship and Immigration there are substantial funds for the training of immigrants, and so on.

Mr. Deakon: But these agencies you are referring to also take Indians and Eskimos. They are welcome also the same as any other nationality, are they not?

Mr. Currie: May I get into this, Mr. Chairman?

The Chairman: Yes.

Mr. Currie: Mr. Chairman, I think we should be aware first of all that the people of French, Italian and Hungarian ancestry, and so forth, chose to come to this country. They chose, and therefore they must assimilate and this they agree to do when they left their homeland. They may have come for political reasons, but in the majority of cases over the past decades they have come for an opportunity to own land, to own a car, and so forth. When they come to our country they first of all start off with an impetus from citizenship in the form of offices in foreign lands that theoretically give them a preparation for what they will encounter when they arrive here.

Mr. Deakon: I can argue on that point, but carry on.

Mr. Currie: All right, I said theoretically. It is not my fault if they are not doing a good job, but they have a budget which is supposed to cover this. Second, when these people arrive in this country they are usually met by qualified people who give them some

[*Interpretation*]

M. Lagassé: Il me semble que la réponse la plus évidente c'est ce que disent ces gens au sujet des services sociaux qu'ils obtiennent. A Toronto il y a 250,000 Italiens, 10,000 Indiens ou habitants d'origine indienne, quels sont leurs commentaires? Et si vous faites une enquête, que diraient-ils? S'ils disent quelque chose qui diffère, c'est qu'il y a une qualité différente. Mais, il y a quelque temps, on a fait un film au sujet de l'éducation.

M. Deakon: Mais quel est votre sentiment? Je ne veux pas une réponse détaillée. Pensez-vous qu'ils aient des problèmes lorsqu'ils essaient de s'assimiler?

M. Lagassé: Ah oui, certainement, mais il y a des agences qui les aident. L'Institut International de Toronto a un budget de $150,000; la Christopher House, et le ministère de la Citoyenneté et de l'Immigration, consacrent des fonds importants pour le recyclage des immigrants.

M. Deakon: Mais les agences dont vous parlez acceptent aussi des Indiens et des Esquimaux. Ils reçoivent le même accueil que les immigrants d'autres nationalités? N'est-ce pas vrai?

M. Currie: Puis-je aborder ce sujet, monsieur le président?

Le président: Oui.

M. Currie: Il me semble qu'on devrait être conscient du fait que tous les immigrants d'ascendance française, italienne, hongroise, etc. ont voulu venir au Canada et donc ils doivent s'assimiler à la société canadienne. C'est vrai lorsqu'ils quittent leur patrie, ils sont peut-être venus pour des raisons politiques, mais dans la plupart des cas, au cours des recentes années ils sont venus au Canada pour trouver des occasions de devenir propriétaires de terrains, d'autos, etc.... Lorsqu'ils arrivent dans ce pays, ils ont déjà une motivation qui leur a été inculquée par les bureaux du ministère de l'Immigration à l'étranger.

M. Deakon: Je peux vous soutenir le contraire.

M. Currie: Ce n'est pas de ma faute si ces fonctionnaires ne remplissent pas leur devoir, ils ont un budget disponible à ces fins. Deuxièmement, lorsque ces gens arrivent dans ce pays, ils sont accueillis par des fonctionnaires spécialisés qui les conseillent et les aident.

[*Texte*]

assistance and guidance. Let us take Toronto, for example. One person in ten in Toronto is Italian. You can go to the businesses in Toronto and you will find Italian-speaking people and they advertise on their doors and in their windows, and so forth, "Italian spoken here". This is a simple case in point.

Further, the educational systems across the country—again in Toronto specifically—offer to immigrant families and their children special courses in English so that they can adjust to the community. We spend many tens of thousands of dollars per year hiring special teachers who will teach English as a second language to school children when they come into our schools.

Another point is that you can go to Manpower, and so on, in our major centres and you will find people there who speak the language of these people from another land, but I dare you to go to any agency in Canada and find a person who speaks Cree or Ojibway or any of the Indian native languages of our country.

Mr. Deakon: Sir, I can take you with me to Manpower Centres where they do not speak some of those other languages, either. They are also discriminated against.

Mr. Currie: I am not denying this, but I think you will find a far greater number of Centres where something is being done to aid and ameliorate the conditions facing the people coming from foreign lands. Let us take as a case in point the Hungarians who first left their country some 12 years or so ago. How many thousands were there—50,000 of them? They landed in our country...

Mr. Deakon: I can talk to you about this all day...

The Chairman: We have dealt with that particular item. Do you have a further question, Mr. Deakon?

Mr. Deakon: What percentage of Indians from reservations and settlements in Ontario have migrated to the large cities in Ontario?

Mr. Currie: That is a difficult question to answer because even the Department of Indian Affairs does not know how many treaty Indians there are in the province. All their figures are approximate, but I understand that treaty Indians living off reserves are approximately 40 to 60 per cent of the population, but nobody knows for sure. You can

[*Interprétation*]

Prenons Toronto par exemple. Un habitant sur dix de Toronto est d'origine Italienne. Allez dans les commerces de Toronto, vous trouverez des gens qui parlent l'italien, les annonces dans leurs vitrines disent «On parle Italien» etc. C'est une simple constatation.

Ensuite, le système d'éducation à travers le pays, et à Toronto, en particulier, offre aux familles qui viennent de l'étranger des cours qui leur enseignent l'anglais pour les assimiler à la communauté. On dépense des dizaines de milliers de dollars à engager des professeurs spécialisés qui enseignent, disons l'anglais aux enfants des immigrants lorsqu'ils arrivent dans nos écoles. Encore un autre point, allez au ministère de la Main-d'œuvre, dans nos grands centres régionaux, il y a des fonctionnaires qui parlent la langue de ces immigrants.

Mais présentez-vous à n'importe quelle agence au Canada et vous ne trouverez jamais personne qui parle le Cris, l'Ojibway, ou une des autres langues indigènes de notre pays.

M. Deakon: Mais monsieur, je veux vous amener à certains centres régionaux de la Main-d'œuvre où on ne parle pas ces langues étrangères non plus. Cela revient au même.

M. Currie: Je suis d'accord, mais je pense qu'il y a beaucoup plus de centres régionaux qui font quelque chose pour l'amélioration de la situation des immigrants. Prenons un exemple, lorsque les Hongrois ont quitté leur pays, il y a deux ans, combien de milliers il y en a-t-il eu? 50,000? Ils sont arrivés ici...

M. Deakon: Je pourrais parler de ce problème à cœur de jour.

Le président: Nous avons traité ce point particulier; est-ce que vous avez une autre question?

M. Deakon: Combien d'Indiens des réserves de l'Ontario sont allés s'établir dans les grandes villes?

M. Currie: C'est très difficile de répondre, car même le ministère des Affaires indiennes ne sait pas combien il y a d'Indiens par statut dans la province. Si je comprends bien, les Indiens par statut, qui habitent hors des réserves, représentent de 40 à 60 p. 100 de la population indienne mais personne ne le sait exactement. Vous pouvez ajouter à ces der-

[*Text*]

add to it a like number, and a greater like number, of Indians who do not come under the Indian Act who are native and yet receive no services. We have these all across the north, especially in Ontario. They live in non-incorporated communities on the edges of towns and nobody does anything.

Mr. Deakon: Do you keep any check on where they go? Do you have any idea where they are going when they come down to you for assistance?

Mr. Currie: Some do.

Mr. Dinsdale: My supplementary is related to this, if my friend does not object. The Indian friendship movement has been a spontaneous response to a spontaneous movement of people. I do not think it is possible to measure this in terms of actual people or individuals, but it is a movement that began and grew like Topsy because there was the social need. Unfortunately, we are going to be limited in time, Mr. Chairman, but from listening to the discussion this morning it seems to me that the movement needs some direc-

• 1310

tion at the level of government and this Committee might make recommendations in that regard. The friendship centres are embracing services that they never anticipated. They are overlapping in areas of service already provided by Indian Affairs and they are doing the job more effectively. I think we have a real problem on our hands to define more clearly the role of the friendship centre and, having defined the role and the functions, to provide the means whereby they can carry out this very important service. The demand is there. I know in Manitoba there is a demand for additional friendship centres but because of the freeze on funds it is not possible to proceed. Yet, they are providing a very vital and essential service.

The Chairman: Thank you, Mr. Dinsdale. Mr. Deakon, have you completed your questions?

Mr. Deakon: No, I have some more but it is all right.

The Chairman: Mr. Borrie, you had a supplementary?

Mr. Borrie: Thansk you, Mr. Chairman. One question I would like to go into a little more concerns the church organized friendship centres. From what I can understand from your opening statement, they do not receive grants do they?

[*Interpretation*]

niers un grand nombre d'Indiens qui ne sont pas soumis à la Loi sur les Indiens, et qui ne reçoivent aucun service. Nous avons cette situation dans tout le Nord et spécialement en Ontario. Ils vivent en dehors des villes, en communautés non-constituées et personne ne fait quelque chose.

M. Deakon: Vous ne pouvez pas vérifier où ils vont? Vous n'avez aucune idée de leur lieu de destination quand ils vous approchent pour vous demander de l'aide?

M. Currie: Certains le font.

M. Dinsdale: Ma question supplémentaire se rattache à cette question, si mon collègue me le permet. Le mouvement de fraternité indienne a été une réponse spontanée à un mouvement spontané d'une population. Je ne crois pas qu'il soit possible de mesurer spécifiquement ce mouvement, mais c'est un mouvement qui a commencé et qui pousse comme des champignons et dont la cause est un besoin social. Malheureusement nous n'avons pas de temps à notre disposition, monsieur le président, mais en écoutant la discussion ce matin, il me semble qu'il faudrait que ce mouvement soit plus ou moins dirigé au niveau du gouvernement. Le comité pourrait peut-être faire des recommandations à cet égard. Les centres d'accueil sont engagés dans des services qui n'avaient pas été prévus. Ils chevauchent les services procurés par le ministère des Affaires indiennes, et ils font le travail plus efficacement. Je pense que nous avons là un réel problème, à savoir la définition plus claire de leur rôle et leurs fonctions: et ce rôle une fois défini, de leur fournir les moyens de s'acquitter de ce rôle très important. Car la demande en fait foi.

Au Manitoba, je sais qu'il y a une demande pour d'autres centres d'accueil, mais à cause de l'absence de fonds, cela n'a pas été possible d'en entreprendre la construction. Et il me semble pourtant que c'est là un service d'importance capitale.

Le président: Merci M. Dinsdale. Monsieur Deakon, est-ce que vous avez terminé vos questions?

M. Deakon: Non, j'en ai encore quelques-unes mais ça ne fait rien.

Le président: Monsieur Borrie, vous avez une question supplémentaire?

M. Borrie: Merci, monsieur le président. Je voudrais approfondir davantage la question des centres d'accueil organisés pour les églises. D'après votre exposé, ces centres ne reçoivent pas de subventions, n'est-ce pas?

[*Texte*]

Mr. Lagassé: Generally not.

Mr. Borrie: How are they progressing; as eeffctively as other centres that are receiving grants?

Mr. Lagassé: They are performing a slightly different role, for one thing. You have a place like the Fellowship House in Kenora which is owned and administered by the Presbyterian Church, I believe. I may be wrong in that statement. Then there is a place like the friendship centre in Prince Rupert, owned and operated by the United Church again, I believe, receiving a grant in this last case but not in the first case I mentioned.

If friendship centres are to fill the gap between the community and the Indian population they must originate in and from the community. Some churches prefer to have a centre which they will direct much more specifically and forgo government funds in preference to opening the management to the full community, thereby not being short and their specific goals being met. Obviously if they invest some money in a friendship centre there are goals that they feel are going to be met by that investment.

We have discussed this with the churches and they are aware of the policy, and we have said to them that if they felt they would like to change the system of management of the centre and turn over as a community function, as it were, then we would be able to provide funds. Some of the places have done this. Where there are substantial holdings it is difficult for a church to give a $90,000 building to the community. Where they are renting facilities it is much easier and they may just say, well, there is a Board, and it is sometimes hard to distinguish in any event, what would be a board that would not be a church-oriented board, especially if the members of a community are all of the same church group. You have different situations.

The Chairman: Gentlemen, we are running out of time. If it meets with everyone's agreement we could allot five minutes to each of the three people left on the list: Mr. Smerchanski, Mr. Simpson and Mr. Dinsdale, for purposes of both questions and answers. Can you limit yourselves, gentlemen, to this? Mr. Borrie, will you just complete your questioning?

• 1315

Mr. Borrie: There is a question I was leading up to. Do the witnesses feel that the pres-

[*Interprétation*]

M. Lagassé: Règle générale, non.

M. Borrie: Comment peuvent-ils évoluer, progresser aussi efficacement que les autres centres qui reçoivent des subventions?

M. Lagassé: Leur rôle est un peu différent. Il y a un certain centre, à Kenora, si je ne me trompe pas qui est la propriété et qui est administré par l'Église presbytérienne. Vous avez ensuite le centre de Prince-Rupert qui est la propriété et sous l'administration de l'Église unie. Il y a une subvention dans le deuxième cas mais pas dans le premier. Si les centres d'accueil doivent combler un vide entre la communauté et la population indienne, ils doivent être conçus au sein de la communauté. Certaines Églises préfèrent avoir un centre qu'elles dirigent selon leurs idées et préfèrent ainsi s'abstenir des subventions gouvernementales plutôt que de laisser l'administration ouverte à tous, afin de protéger leurs buts spécifiques.

Nous avons discuté ce sujet avec les Églises et elles sont au courant de notre politique. Nous leur avons dit que si ces centres devaient servir de pont entre la collectivité et l'Indien, il serait préférable qu'ils soient administrés par la collectivité et ainsi le gouvernement pourra y apporter sa part. Et certains centres ont effectué ces changements.

Lorsque les propriétés sont assez considérables, il est difficile pour une Église de donner à la communauté au centre de $90,000. Lorsque ces bâtiments sont loués, cela devient plus facile. Ces centres n'ont qu'à créer un conseil d'administration et à nous le présenter. Sera-ce un conseil qui ne sera pas orienté vers des buts religieux, il est souvent bien difficile de le dire. Spécialement si les membres de la communauté relèvent tous de la même dénomination religieuse. Par conséquent vous avez plusieurs situations différentes.

Le président: Nous manquons de temps, messieurs. Nous pourrions accorder 5 minutes aux trois députés qui restent sur la liste tant pour les questions que pour les réponses. Est-ce que vous pouvez vous limiter à 5 minutes, messieurs? M. Borrie, pouvez-vous terminer?

M. Borrie: Une autre question à laquelle je venais de penser. Est-ce que les témoins esti-

[*Text*]

ent policy of having the community involvement initiate a friendship centre should be changed so that it is initiated by government or initiated by other friendship centres?

In this respect I am thinking of a classic example of Dawson Creek where for one solid year they have not required any assistance from the federal or provincial governments. They have proved within the community the desire, the need for the friendship centre. Now, is this a wrong policy or is it a good policy?

Mr. Lagassé: This has been a pattern which repeats the initial year of most friendship centres. You start, not with the money, but with a group of interested citizens. A group of citizens as it does its planning may require some funds but does not necessarily get funds.

Mr. Borrie: Indian and white?

Mr. Lagassé: Yes; and then eventually it is established that this represents the total community. Otherwise you would have three or four centres coming one after the other and they would all be asking the government for some funds. It seems to me that you could subdivide the effect of centres if this were to happen. There is the total community approach with a maximum involvement of people of Indian ancestry and then again you could have a centre operated by white interests which Indians would feel to be an imposition. Then we would be in collusion, as it were, with this outside authority as outsiders as well, just further imposing on the native population. They would be coming to us and saying, look, give us the grants and we will provide our own centre. Our policy has always been to prefer the latter approach.

The Chairman: Mr. Bear Robe has a comment on this.

Mr. Bear Robe: In answer to your question I strongly recommend that we have some kind of co-ordinating body elected by the Friendship Centre Association. We could call upon this body to go into that area and look it over. Then they would make recommendations concerning the establishment of a friendship centre there.

Mr. Smerchanski: Mr. Chairman, it appears there is a lack of co-ordination among all these associations concerning just where they are heading. I think this whole problem is

[*Interpretation*]

ment que la politique actuelle d'engagement de la collectivité dans les centres d'accueil devrait être modifiée et que l'initiative devrait venir des gouvernements ou d'autres centres d'accueil?

Je pense à un exemple classique, celui de Dawson Creek, où pendant une année, on n'a pas eu besoin d'aide financière du gouvernement fédéral ou du gouvernement provincial. Par les désirs même de la communauté qu'un centre d'accueil était nécessaire. Est-ce que c'est une bonne politique ou une mauvaise politique?

M. Lagassé: C'est une tendance qui se répète au cours de la première année d'existence de la plupart des centres d'accueil. Vous créez un centre non avec de l'argent, mais avec un groupe de citoyens intéressés à la question. Un groupe de citoyens entreprend la planification, font la demande d'un certain montant de subvention, mais ne reçoivent pas nécessairement cette subvention.

M. Borrie: Indiens et Blancs?

M. Lagassé: C'est ça. Et par après, il est établi que ce groupe représente vraiment la communauté. Sans cela, vous pourriez avoir trois ou quatre centres qui viendraient l'un après l'autre solliciter l'aide du gouvernement. Il me semble que si l'on agissait ainsi, on minimiserait les efforts de ces centres. Il faut qu'il y ait là une approche communautaire globale comportant un nombre maximum de personnes d'origine indienne, sinon vous pourriez encore avoir là un centre exploité par des intérêts blancs qui seraient considérés par les Indiens comme une obligation. Ainsi le gouvernement se trouverait en collusion avec l'autorité blanche de ce centre et ferait ainsi des pressions sur la population indienne. Les Indiens pourraient ainsi revenir auprès du gouvernement et demander de nouveaux fonds pour créer leur propre centre. Notre politique a toujours été de préféré la dernière façon de faire à la première.

Le président: M. Bear Robe désire faire un commentaire à ce sujet.

M. Bear Robe: Pour répondre à votre question, je recommanderais que nous ayons un organisme élu par l'Association des centres d'accueil et que cet organisme pourrait étudier le problème et formuler des recommandations quant à la construction de nouveaux centres d'accueil.

M. Smerchanski: Monsieur le président, il semble y avoir un manque de coordination entre ces Associations quant à savoir où elles se dirigent. Ce problème se

[*Texte*]

further complicated and clouded by the fact that we have had various departments of our federal government spending the taxpayers' money on such things as the upgrading of training programs and ARDA projects, and so forth.

I believe that in most instances there is a welfare community centre that is run on a provincial or a semi-provincial basis. I feel strongly about local participation in these friendship centres and I think a great more can be done by calling upon agencies such as the YMCA, the other local community centres, church groups and the United Appeal or the Red Feather.

Do you gentlemen feel, because you are operating these friendship centres and because you have a representation on the basis of Indian background, that you are able to understand the problems of your people better than anyone else in the community?

Mr. Currie: Yes.

Mr. Smerchanski: My other question, Mr. Chairman...

M. Currie: Are you only going to take my answer?

Mr. Keeper: I would like to respond to that. I think the fact is that there are these agencies in existence in every city to which Indian people are moving, and there is the fact also that Indian people are not using these agencies. If they are not using the agency how do you make them use it? If it were possible to get a dimension to all of these agencies where Indian people would go and use them, then there would be no need for friendship centres, but the fact is that the Indian people are not using them. I think that this is my answer.

• 1320

Mr. Bear Robe: Yes, we do use agencies such as the YMCA, YWCA and Salvation Army, but we get a monthly bill from them for the services provided for Indian people. If we had set up a program whereby they would give free services to Indian people I am pretty sure they would become the bottom of the priority list, the same as the single men's hostels; we do not have to pay for them but lots of times they do not receive services.

Mr. Smerchanski: Mr. Chairman, my other question, and I will be very brief, is this: It has been presented, of course, that the Indian people of Indian background have to be dependent on someone else if they go to these other centres and of course this approach has a tendency to segregate the people of Indian

[*Interprétation*]

trouve aggravé du fait que plusieurs ministères du gouvernement dépensent l'argent des contribuables pour des programmes de formation, des projets de l'ARDA et ainsi de suite. Je crois que dans la plupart des cas, il y a un centre d'assistance provincial ou quasi-provincial et j'estime que la participation locale est essentielle. Et je crois qu'on pourrait faire beaucoup plus en faisant appel à des organismes comme le YMCA, les groupements religieux, la Plume rouge ou la Fédération des œuvres.

Voici ma question: est-ce que vous estimez que parce que vous dirigez ces centres, que vous pouvez mieux comprendre les problèmes de vos congénères mieux que n'importe qui au sein de la même collectivité?

M. Currie: Oui.

M. Smerchanski: Mon autre question...

M. Currie: Voulez-vous seulement avoir mon opinion?

M. Keeper: Je voudrais répondre à cette question. Le fait est qu'il y a des organismes qui existent dans toutes les villes vers lesquelles les Indiens se rendent. Cependant, c'est un fait que les Indiens ne s'adressent pas généralement à ces organismes. Comment ces organismes pourront-ils les aider si les Indiens ne s'adressent pas à eux?

S'il existait des organisme auxquels les Indiens pourraient s'adresser, il n'y aurait pas besoin de créer des centres d'accueil. Voilà ma réponse.

M. Bear Robe: Oui, nous utilisons des organismes comme le YMCA, le WMCA, l'Armée du salut, etc... Mais ces organismes nous envoient les factures pour les services rendus aux Indiens. Si nous mettions sur pied un service gratuit pour les Indiens, ils arriveraient très vite au bas de la liste des priorités. La même chose pour les auberges, où nous n'avons pas à payer mais où les Indiens ne reçoivent aucun service.

M. Smerchanski: Je serai bref pour ma dernière question. On nous a dit que les Indiens doivent compter sur quelqu'un d'autre... et c'est évidemment une tendance à séparer les Indiens des autres. Pourtant, d'autre part, il serait préférable d'avoir l'intégration plutôt que l'isolement de ces gens.

[*Text*]

background. Yet, on the other hand, I think it would be better to have integration and not to isolate these people.

I was very much interested in what was said today, Mr. Chairman, but I would like to bring to the attention of these gentlemen that in Teulon, Manitoba, and the interlake area, the United Church runs boys' and girls' residences and that 90 per cent of the people there now are of Indian background from Norway House, Island Lake, Oxford Lake, Red Sucker Lake and Gods Lake. These students of Indian background are top-notch students, and they are getting a good training. They are getting a good background.

To what extent have you and your friendship centres been aware of this type of service? It has been an excellent one and yet you are telling us that your friendship centres cannot integrate with a church movement or an established community club.

Again, as I said in my opening statement, Mr. Chairman, there seems to be some confusion, possibly on both the government side and on the part of the Indian people, in coordinating these efforts so that something concrete can come out of them. As I say, in Teulon these residences are a shining example of what can be done with a church group and they do not ask for aid from anyone. It is a community effort, it is a church effort and they are doing an excellent job.

The Chairman: Are you counting on us, Mr. Keeper?

Mr. Keeper: I do; I think it will be an ideal situation if the friendship centres can reach out and work with the community. But what has caused the evolution of the friendship centres, I think, to a very great extent, is the type of thinking that has gone into the treatment of the Indian by Canadian society. This has sometimes reached over into the friendship centre movement, and the people do not use these other places because they feel more comfortable in the friendship centres.

In the same way, a social worker works with a person who needs help and at a certain point in time that person becomes adjusted and can deal with society, as its peer. Then he can operate. The Indian people at friendship centres are in the same position. I think there is a certain point in time when they get confidence and are able to deal with society, as its peers, but until this point in time is reached the reverse is what happens. At The Pas in Manitoba, Mr. Smerchanski, there is a friendship centre which is a fine example of what can happen. They have a certain role to play, but at a certain point in

[*Interpretation*]

Je m'intéresse beaucoup à ce qu'on a dit ce midi et je voudrais porter à l'attention de ces messieurs qu'à Teulon au Manitoba, et dans la région des lacs l'Église unie exploite une résidence pour garçons, et filles, et 90 p. 100 des jeunes qui y sont en résidence sont d'origine indienne qui viennent de Norway House, Island Lake, Oxford Lake, Red Sucker Lake et God's Lake.

Ce sont des étudiants indiens de première force et ils reçoivent une bonne éducation. Dans quelle mesure dans vos centres d'accueil êtes-vous au courant de ces services. Ces services sont excellents. Pourtant vous nous dites que vos centres ne peuvent pas s'intégrer avec les mouvements religieux ou des clubs sociaux. Comme je l'ai dit au début de mes remarques, il semble y avoir confusion, manque de coordination, peut-être à la fois du côté du gouvernement et du côté des Indiens pour la coordination de ces efforts afin qu'il en sorte quelque chose de concret. L'exemple de Teulon que je viens de donner est un exemple frappant. On ne souhaite l'aide de personne. Les résultats sont excellents.

Le président: Comptez-vous sur nous, monsieur Keeper?

M. Keeper: Je crois que ce serait une situation idéale. La façon dont les Indiens ont été traités par la collectivité canadienne a donné naissance précisément à ce mouvement de centres d'accueil parce qu'on croit que les autres services ne sont pas suffisants et qu'on se sent plus à l'aise dans ces centres d'accueil lorsqu'une personne a besoin d'aide et qu'il peut être traité d'égal à égal avec le reste de la société. Au Manitoba, au Paw, il y a un centre d'accueil qui est un excellent exemple du travail que peuvent accomplir ces centres. Les Indiens y sont traités d'égal à égal et c'est ce qu'ils réclament.

[*Texte*]

time they become an organization that Indian people use to deal with town councils and other volunteer agencies, as peers, not going hat in hand.

Mr. Smerchanski: Mr. Chairman, I have taken up my five minutes and I have finished.

The Chairman: Thank you. Mr. Simpson?

Mr. Simpson: Mr. Chairman, without any difficulty whatsoever I could extend my very sincere congratulations to the people operating friendship centres, particularly in Manitoba where I have had some experience of their

• 1325

operations. However, suffice it to say—and I would be remiss if I did not say it at this time—that most of those to whom I have talked in Manitoba about this, in the different areas in which they are operating, do feel that Indian and Metis friendship centres have a very high priority among any groups in community service.

Many of my questions have already been covered, but I would like to know what criteria are applied to a centre which plans to come into existence?

To prevent this being a lengthy answer I may say that I am interested in knowing whether it is the general feeling of the Department, or of other groups operating centres, that centres coming into existence should have, or could have, sleeping accommodation, and accommodation for transients coming into town, and such things as that? Are there actually any departmental criteria that have to be considered before a grant is given?

Mr. Lagassé: I could read this very quickly. Perhaps it would be the shortest way to answer your question. These are the norms for friendship centres:

> (a) maintains permanent premises in or from which transitional services and programmes are offered to persons of Indian ancestry to assist them in establishing themselves in communities off Indian reserves,
>
> (b) conducts its services and programmes according to established professional practice to ensure competence and effectiveness,
>
> (c) provides to persons of Indian ancestry an important or significant role in its programming and management,

[*Interprétation*]

M. Smerchanski: Monsieur le président, mes cinq minutes sont écoulées. Je cède donc la parole à un autre.

Le président: Merci. Monsieur Simpson?

M. Simpson: Je dois féliciter les administrateurs des centres d'accueil, en particulier au Manitoba, où j'ai pu me rendre compte du fonctionnement de ces centres.

Qu'il me suffise de dire, je manquerais à mon devoir si je ne le disais pas, la plupart des gens avec qui je me suis entretenu au Manitoba estiment que ces centres d'accueil ont une priorité très élevée parmi les services communautaires.

La plupart des questions que j'avais à poser l'ont déjà été. Je voudrais savoir pourtant s'il y a des critères pour les centres qu'on songe à établir. Quels sont ces critères? Pour éviter une réponse trop longue, disons que ce qui m'intéresse c'est de savoir si le ministère ou d'autres groupes ont une motivation particulière pour établir un nouveau centre, à savoir s'il doit ou non avoir des services d'hébergement et ainsi de suite? Est-ce qu'il y a des critères ministériels à étudier avant de

> (a) maintenir des édifices permanents dans lesquels des programmes et des services de transition sont offerts aux Indiens ou aux personnes d'origine indienne, afin de les aider à s'établir dans des collectivités à l'extérieur des réserves indiennes.
>
> (b) diriger ces services et ces programmes conformément aux usages professionnels établis afin d'en assurer la bonne direction et l'efficacité.
>
> (c) permettre aux Indiens ou aux personnes d'origine indienne de jouer un rôle important ou significatif dans l'établissement de ces programmes et dans son administration.

[*Text*]

(d) receives in the community in which it is situated substantial cooperation from organizations or bodies interested in or concerned with the welfare of persons of Indian ancestry, and

(e) receives from the community in which it is situated a degree of financial support commensurate with the general ability of that community to raise funds for projects of a similar nature.

These are the five standards.

You raised questions about sleeping accommodations and other services. These relate to other established programs of the government. If someone requires a room, for example, or bedding, or a house, or lodging, there are welfare programs which give according to need and which could be billed for these services. And you could apply that to any of the other kinds of needs that you can imagine.

As was pointed out very clearly by one of the members here, there are in existence in Canada programs to cover almost every type of need that a person can have. The question is how to get the particular persons into your office to benefit from them. As Mr. Bear Robe was explaining, this is really one of the challenges that the friendship centres are trying to meet. If the centre were to become a welfare department, obviously the funds it would need would be extremely high, and that is not the purpose of the friendship centre.

Mr. Borrie: Mr. Chairman, may I suggest that the five policy points just read by Mr. Lagassé be circulated to the members of the Committee?

The Chairman: They will appear in the minutes.

Mr. Deakon: Mr. Chairman, I would like to move a vote of thanks to all the witnesses who have attended today.

Mr. Simpson: Mr. Chairman, I have other questions.

The Chairman: Yes; they have not been ruled out yet.

Mr. Simpson: It has been explained very clearly that the friendship centres normally carry out a great number of duties. Mr. Lagassé has mentioned that perhaps sleeping accommodation could be provided in some other manner. I know that there are friendship centres—and thank goodness there are

[*Interpretation*]

(d) recevoir, à l'intérieur de la collectivité où ils sont établis, la coopération substantielle des autres organisations ou services intéressés, en ce qui concerne le bien-être social des personnes d'origine indienne, et

(e) recevoir de la collectivité dans laquelle ils sont situés, une aide financière proportionnée à la capacité de cette collectivité d'obtenir des fonds pour des projets d'une nature semblable.

Ce sont les cinq normes prévues.

Vous avez posé des questions en ce qui a trait aux services d'hébergement. Ceux-ci font partie d'autres programmes établis par le gouvernement. Si quelqu'un a besoin d'une chambre, par exemple, ou d'un lit, ou d'une maison, ou d'une pension, il y a certains programmes de bien-être qui sont conçus à ces fins et qui peuvent en défrayer le coût. Vous pouvez appliquer de semblables raisonnements pour d'autres sortes de besoins.

Comme l'a souligné une personne ici présente, il y a des programmes de bien-être au Canada qui couvrent à peu près toutes les sortes de besoins qu'une personne peut avoir. La seule question est de savoir comment trouver la personne qui y a droit. Ainsi que M. Bear Robe nous l'a expliqué, c'est là le principal but que ce sont donnés les centres d'accueil. Si ces centres deviennent des serviecs de bien-être social, il est évident que les fonds dont ils auront besoin seront extrêmement élevés, et ce n'est pas l'objet pour lequel ces centres d'accueil ont été conçus.

M. Borrie: Monsieur le président, puis-je suggérer que les cinq points mentionnés dans ces directives puissent être remis aux membres du comité?

Le président: Ils figureront au compte rendu.

M. Deakon: Monsieur le président, j'aimerais adresser mes remerciements à tous les témoins qui sont venus devant le comité, ce matin.

M. Simpson: Monsieur le président, j'ai d'autres questions.

Le président: Oui, mais j'espère qu'elles n'ont pas été jugées irrecevables.

M. Simpson: Il a été clairement expliqué que normalement les centres d'accueil rendent de nombreux services. M. Lagassé a mentionné que l'hébergement pourrait être envisagé d'une autre manière. Je sais qu'il y a des centres d'accueil et je suis bien heureux qu'il y en ait qui offrent des facilités d'héber-

[*Texte*]

some—where sleeping accommodation is available. In my opinion, there should be more of it.

• 1330

I would like to have the opinion of any of the witnesses on whether, where there is such a need, this would be a good idea for the friendship centres to pursue?

Mr. Lagassé: I have a point requiring clarification, Mr. Simpson. I am thinking of Flin Flon, for example. That has both sleeping accommodation and the friendship-centre type of services.

I would like to add that my remark was that some other department, which is the Department of Social and Cultural Affairs, is limited necessarily to those functions which are of that nature. The same agency may well have added to it sleeping accommodations which may be funded in a number of other ways.

Mr. Simpson: Yes.

Mr. Lagassé: I am not suggesting that he should not be there, I was just trying to say that the policies of the Department of the Secretary of State have to be related to its responsibilities. Now, this does not negate the need in a community for a friendship centre to do other things and it may well get funds from other sources for doing so. I think in the case of Flin Flon there are arrangements whereby there is a per diem charge to a certain agency or a number of agencies for the people that they will look after. In Mistassini the same type of financing will be utilized and in Prince Rupert where there is also a substantial sleeping service being given that part of it is funded in another way. We then would have in our Department substantial funds for what are essentially welfare services in a Department whose responsibilities are not defined that way.

Mr. Simpson: Maybe I could get at this question...

Mr. Lagassé: Even though it may run into this kind of vertical thinking that you were talking about.

Mr. Currie: We do make use of community services, the "Y", for example, or homes for girls, but we pay for this out of our own pocket. This is raised by many means. There is a yes and a no answer to this and we cannot get a blunt yes or no answer to should you have hostels or should you not have hostels. It varies from community to community. For whom would a hostel be intended? This is a very, very crucial point. Should

[*Interprétation*]

gement. Selon mon opinion, il devrait même y en avoir plus. Il y a de tels besoins que je me demande si les témoins pensent vraiment que ce serait une bonne idée de poursuivre l'action des centres d'accueil.

M. Lagassé: J'aimerais apporter un peu de clarté, monsieur Simpson. Je pense à Flin Flon, par exemple, où il y a là des facilités d'hébergement, et un centre d'accueil avec des programmes qui s'y rapportent. J'aimerais ajouter que mes remarques visaient un autre service, la division des programmes sociaux, est limité à des fonctions de cet ordre. Le même organisme peut y ajouter un service d'hébergement qui peut être subventionné d'autres manières.

M. Simpson: Oui.

M. Lagassé: Je ne veux pas dire par là qu'il ne devrait pas exister mais que la politique du Secrétariat d'État doit se rattacher à ces responsabilités. Cela n'en nie pas le besoin et il peut se procurer des fonds ailleurs pour le faire. Dans le cas de Flin Flon il y a, je crois, un arrangement en vertu duquel une somme est réservée chaque jour à un autre organisme ou à plusieurs organismes qui s'en occupent. Le même mode de financement sera utilisé à Mistassini, et à Prince Rupert où il y a un bon service d'hébergement, cette partie est subventionnée autrement. Nous aurions dans notre ministère suffisamment de fonds pour les services purement de bien-être dans un ministère dont les tâches ne sont pas définies à cette fin.

M. Simpson: Je pourrais peut-être.

M. Lagassé: Même si cela devait s'orienter vers cette sorte de pensée verticale dont vous parliez.

M. Currie: Nous utilisons les services municipaux, le «Y» par exemple, ou des foyers pour jeunes filles mais nous les payons de notre poche. Nous recueillons ces sommes de diverses manières. Il y a une réponse affirmative et négative à cela, et nous ne pouvons pas répondre catégoriquement si nous devons avoir des auberges ou non. Cela dépend de la population. A qui sont destinés les asiles? C'est une question très importante. Pour les

[*Text*]

it be for young students moving into the city going to high school who are sick and tired of living in boarding houses? Should it be for somebody whom we have picked up in court in between arrest and sentence who needs a place to live where we can give him guidance and counselling so that he can get up on his own two feet and then be introduced more gracefully into our community? What kind of a hostel do you need?

This is a big question. At present we are using facilities available in Toronto to meet the need as it arises. In many cases we cannot meet it. Sometimes we find private homes, we use public agencies and so on.

Mr. Simpson: I would like to put the question this way, then. The fact that an Indian Metis centre—I will not mention any place names—has in conjunction with it hostel services, would this in the opinion, say, of Mr. Lagassé in any way jeopardize their future standing as far as grants from the Department are concerned?

Mr. Lagassé: I would like to verify that, but I am quite sure that the Province of Manitoba has decided in favour of giving a grant to the particular centre that you have in mind and we are reimbursing them half of whatever they give.

Mr. Simpson: Is that right?

Mr. Keeper: The Province of Manitoba on its friendship centre committee—actually an advisory committee—has four public servants, two from the province and two from the federal government, and by doing this it cuts up the pie. Also as voting members of this friendship centre committee is a delegate from each centre, so that on this particular committee the friendship centres have the majority and the government listens to this committee on how the funds will be spent. A few times they have had no change in policy and this has been accepted.

Mr. Borrie: It would seem to me that it is possible it would also encourage segregation, would it not?

Mr. Simpson: I am not here to answer questions, but I would say, not necessarily so.

● 1335

In some areas in the constituency which I represent I know there are a number of places that are definitely interested in getting hostel services for Indian people who have to come in from the reservations for hospital

[*Interpretation*]

étudiants de l'école secondaire qui sont fatigués d'être pensionnaires? Pour une personne qui attend sa sentence et a besoin d'une place pour vivre où nous pouvons le conseiller et l'aider à se remettre sur ses deux pieds afin de mieux l'intégrer dans la société? De quelle sorte d'auberge avons-nous besoin?

Voilà la grande question. Pour l'instant, nous utilisons les installations qui existent déjà à Toronto pour répondre à la demande, mais dans plusieurs cas, il nous est impossible de le faire. Parfois nous trouvons des maisons privées, nous utilisons les organismes publics, etc.

M. Simpson: Le fait qu'un centre pour Indiens et Métis a un service de pension, je ne mentionnerai pas l'endroit, est-ce que, de l'avis de monsieur Lagassé, cela peut compromettre les subventions futures accordées par le Ministère?

M. Lagassé: J'aimerais le vérifier, mais je suis presque certain que la province du Manitoba a approuvé de subventionner ce centre et nous leur remboursons la moitié de ce que cela leur coûte.

M. Simpson: Est-ce vrai?

M. Keeper: Le comité des centres d'accueil du Manitoba, comité consultatif, compte quatre fonctionnaires, deux de la province et deux du gouvernement fédéral, et elle répartit ainsi le gâteau. Outre les membres du comité, chaque centre délègue un représentant. Le comité a donc tout pouvoir et le gouvernement ne fait qu'accorder l'argent qui a été voté. Parfois, ils n'ont pas modifié leur politique, et on l'a acceptée.

M. Borrie: Il me semble que cela peut encourager la ségrégation, n'est-ce pas?

M. Simpson: Je ne suis pas ici pour répondre à ces questions, mais je dois dire que cela n'arrive pas nécessairement. Dans certains endroits de ma circonscription, on est intéressé à créer des services de pension pour les Indiens qui viennent de la réserve pour se faire soigner à l'hôpital. Ce n'est pas de la discrimination. Ils sont privés d'un endroit où loger mais en certains endroits comme Thompson, on pourrait difficilement obtenir

[*Texte*]

treatment. It is not from discrimination that they are deprived of a place to stay, but in some places, such as Thompson, if you or I went there tomorrow unannounced we would have a difficult time getting a room in which to stay. The Indian people are coming in there and when people talk of starting up a friendship centre, some people say that we should have a hostel in conjunction with it while others feel if we have one we will not be entitled to any grants. That is one of the reasons I was asking these questions.

The Chairman: I think, Mr. Simpson, it might be useful in order to answer that particular question if Mr. Lagassé were to recount how they are coping with this problem in Chibougamau for the Mistassini group.

Mr. Simpson: I was going to follow up by asking Mr. Lagassé just how far plans have progressed in Chibougamau and the extent of the federal government's assistance there?

Mr. Lagassé: If Mr. Dinsdale were here he might be able to tell a similar story of Brandon where, again, a group of people have formed a non-profit corporation that purchased a building and are renting it to the friendship centre. They have agreed that when the total rental revenue is equal to the original cost of the building they will turn it over to the friendship centre, but the rental has been recognized by the province as illegitimate cost for a grant.

You see, I am a little bit reluctant to comment on matters of policy or any of the provinces that have an agreement because the responsibility for the decisions is not only with the province, but in real fact with the advisory committee and they use these rationales—they use logic such as that I cited earlier—but the actual decision is very much theirs to make. I think the same thing has happened in Calgary or in Edmonton. There is some talk in Vancouver, again, where the friendship centre there incidentally, fathered or, if you wish, gave rise to a hostel, but wanted it somewhere else where it would be only a hostel and would not be mixed with the cultural and social activities that the centre renders.

However, the basic requirement is to have a group that forms the non-profit corporation which then may appeal to community agencies. It may be that the Kiwanis or the Rotary Clubs decide to make it their project of the year and raise substantial funds.

It may be the March for Millions in that part of the community will turn over substantial funds. Each community has its own goodwill and they decide how they want to pro-

[*Interprétation*]

une chambre pour passer la nuit. Lorsqu'on commence à parler de l'établissement d'un centre d'accueil à cet endroit, certains disent qu'il devrait y avoir aussi une pension en même temps mais d'autres disent que peut-être de cette façon on devrait renoncer aux subventions qui sont versées pour le Centre d'accueil. C'est une des raisons pour lesquelles je pose ces questions.

Le président: J'ai l'impression, monsieur Simpson, qu'il serait peut-être utile que monsieur Lagassé raconte comment on résout ce problème à Chibougamau pour la tribu Mistassini.

M. Simpson: J'allais demander à monsieur Lagassé jusqu'à quel point on avait réalisé les projets à Chibougamau et quelle était l'importance de l'aide du gouvernement fédéral.

M. Lagassé: Si monsieur Dinsdale était présent, il pourrait vous dire la même chose à propos de Brandon. Il s'agit d'un groupe de gens qui a formé une société sans but lucratif, qui a acheté un bâtiment et le loue au Centre d'accueil. Il est entendu qu'une fois le loyer payé, un loyer d'ailleurs modeste correspondant au coût primitif du bâtiment, le bâtiment ira au Centre d'accueil, mais la province a jugé ce loyer illégal.

J'hésite à parler de questions de politique en ce qui concerne les provinces où existe un accord parce que les décisions ne relèvent pas seulement de la province mais en fait du conseil consultatif. Ils usent d'analyse, de la logique que j'ai citée auparavant mais la décision leur appartient. Je crois que la même chose s'est produite à Calgary ou à Edmonton. A Vancouver, on parle d'un Centre d'accueil qui aurait donné naissance à une auberge, mais ils le voulaient ailleurs où cela serait uniquement une auberge, et ne serait pas constamment mêlée aux activités culturelles et sociales que le centre organise. Mais, à la base, le groupe qui constitue une société sans but lucratif peut faire appel aux organismes de la place, les clubs Kiwanis ou Rotary. Ces clubs philanthropiques pourraient par exemple en faire leur initiative de l'année et recueillir beaucoup de fonds.

Cela peut-être la marche pour des millions ou la population souscrira. Chaque localité a une certaine réserve de bonne volonté et c'est à cette localité de décider comment elle va

[*Text*]

ceed, but it gives them a permanent centre. The danger, of course, of a purchase as opposed to a rental is that you are stuck with it and if it is too big for your present use, you have more operating costs than are necessary and you will have to spend money for staff to maintain it. Furthermore, if your budget is cut you cannot reduce these fixed costs and you are left with only the building and no more program. It is a fact that each budget is very small and friendship centres have to consider all of these things—we, in the government, can say that these are the problems hence we will decide in the following way—because they are facts of life with which we all have to live and each centre looks at it in its own particular way.

The Chairman: Thank you, Mr. Lagassé.

Mr. Simpson: I have one final question. Could you, very briefly if possible, Mr. Lagassé, tell us how for plans have progressed with the Chibougamau idea of a friendship centre or to what extent the federal government has committed itself to assistance?

Mr. Lagassé: The committees have worked for two years at analyzing the problems and measuring the volume of people in town. They have, for example, noticed the fact that in any given year at least some 15 breadwinners get employment in Chibougamau and very few stay there permanently, but they have anticipated if they start a friendship centre that many of them henceforth will be able to stay permanently and so on. They

• 1340

have stated that they are resolved to move ahead in the brief that they prepared, which I have because one of our staff was at a meeting where it was finalized.

I think I have the final draft, but I am not even sure that that is necessarily so. But they are at the stage of having clarified all of the issues that they will be presenting to the provincial, federal and municipal governments and local agencies as a plan, and saying that that is the way they see it; that there are people who have agreed to form this holding company and have even identified the piece of land that will be purchased, or perhaps they have it already. But this is the phase they are at. They have not gone beyond that.

The Chairman: I understand they intend to borrow from the CMHC?

Mr. Lagassé: That is right; they will borrow because of the sleeping facilities. They

[*Interpretation*]

procéder mais celà lui donne un centre permanent. Le danger évidemment de l'achat par opposition à la location, c'est que si l'endroit est trop grand et que les frais d'entretien sont trop considérables, il faut dépenser une trop forte partie du revenu pour l'entretenir, si le budget tombe, on ne peut pas comprimer ces frais incompressibles par nature, et vous restez avec l'immeuble et il n'existe plus de programme. Il est vrai que chaque budget est très petit et les centres d'accueil doivent considérer toutes ces questions. Au gouvernement, nous dirons que ce sont des problèmes que l'on doit régler de telle ou telle façon mais, néanmoins, ce sont là, si vous voulez, des réalités quotidiennes et que chaque centre doit résoudre à sa façon.

Le président: Merci, monsieur Lagassé.

M. Simpson: Une dernière question. Pourriez-vous nous dire très brièvement, monsieur Lagassé, où en est l'idée de Chibougamou? Dans quelle mesure le gouvernement fédéral s'est-il engagé à aider?

M. Lagassé: Le gouvernement fédéral examine la question depuis deux ans, analyse les problèmes et détermine le nombre de gens qui se trouvent dans cette localité. Ils ont remarqué, par exemple, que dans telle ou telle année, quinze pères de famille ont trouvé du travail à Chibougamou mais que bien peu y restent. Mais on imagine que si l'on y établit un centre d'accueil, un plus grand nombre de gens pourront y rester en permanence, etc. On a dit qu'on est prêt à commencer dans le mémoire qu'on a préparé. Je pense que j'ai le texte final, mais je ne suis pas certain que ça soit vraiment définitif. Mais, on en est au point où on a élucidé toutes les issues possibles qui seront présentées aux gouvernements fédéral, provincial et municipal et aux organismes locaux, à titre de projet en disant que c'est la manière dont ils l'envisagent, que ce sont des gens qui se sont groupés pour constituer une société sans but lucratif. Il a même jeté leur dévolu sur une parcelle de terrain qui sera achetée ou qu'ils possèdent déjà. Mais voilà où ils sont rendus. Ils l'ont dépassé.

Le président: Ils entendent emprunter de l'argent de la Société centrale d'hypothèques et de logement.

M. Lagassé: C'est exactement ce qui se passe en effet. Ils devront le faire pour amé-

[*Texte*]

think these will entitle them to borrow under the CMHC program for residences; and the CMHC, I am sure, will be looking at this and examining the total percentage of cubic feet within the building that will be used for this purpose, as in a university residence, where a certain percentage is allowed for lounges and open spaces and so on. But I would imagine there is a limit to that, and that they will come to a way of funding this.

These are the kinds of thinks that are possible when people get together and look at all the community services—not just our department. We would be ill-at-ease as a social and cultural department, it would seem to me, if we were to start playing a CMHC role; but that does not mean that this service is not available from somewhere.

Mr. Simpson: Have the grants to Indian and Metis centres in any cases extended to capital grants for construction of premises?

Mr. Lagassé: No. Our grants are for non-capital expenditures. That has been the policy of the federal government from the start.

Mr. Simpson: On behalf of the Committee I would like to thank the witnesses for appearing before us.

The Chairman: We would all like to thank the witnesses and also, may I say, the staff, who have remained on three quarters of an hour longer than they were supposed to. Thank you.

Mr. Currie: Mr. Chairman, perhaps this is slightly out of order, but before we adjourn, may I say that every one here knows who we are, but we have no idea who the gentlemen were who were in attendance, or what part of Canada they represent. It would be nice to know.

The Chairman: We will supply you with the details.

Mr. Currie: With pictures, sir?

The Chairman: The meeting is adjourned.

[*Interprétation*]

nager des installations pour coucher. On pense que cela permettra de contracter des emprunts aux termes du programme de la Société centrale d'hypothèques et de logement au titre de la construction domiciliaire. La Société centrale considérera la chose, déterminera le pourcentage du bâtiment en pied cube utilisé à cette fin comme pour les pavillons d'université, où une partie de l'espace est réservée aux salons, une autre partie pour circuler, etc. Mais il y a des limites j'imagine mais qu'on trouvera une manière de consolidation. Voilà le genre de choses possibles quand des gens se réunissent pour examiner l'ensemble des services communautaires. Notre ministère n'est pas seul en cause. Nous serions très mal placés en tant que ministère sociale et culturel, si nous nous subtituons à la Société centrale d'hypothèques et de logement mais cela ne veut pas dire que ce service n'existe pas ailleurs.

M. Simpson: Est-il ce que les subventions accordés aux centres pour les Indiens et Métis n'ont pas déjà été élargies dans certains cas aux subventions d'immobilisation?

M. Lagassé: Il ne s'agit pas de subventions d'immobilisation. C'est la politique adoptée par le gouvernement fédéral depuis de début.

M. Simpson: Au nom du Comité je voudrais remercier, monsieur Lagassé, d'être venu témoigner.

Le président: Nous aimerions tous remercier les témoins, ainsi que le personnel qui est resté trois quart d'heure de plus. Merci.

M. Currie: Ma question est peut-être un peu en dehors du contexte mais avant de lever la séance, puis-je ajouter que tout le monde dans cette enceinte sait qui nous sommes et nous ne savons pas qui étaient les personnes de service, ou quelle partie du Canada ils représentent. Nous aimerions bien le savoir.

Le président: Nous vous donnerons les détails.

M. Currie: Avec des photos, monsieur?

Le président: La séance est levée.

Government
Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

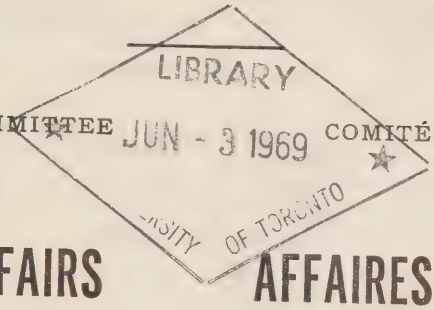
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969



STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 18

FRIDAY, APRIL 18, 1969

LE VENDREDI 18 AVRIL 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*)

(*Voir Procès-verbaux*)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

20078—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs. — et Messieurs

[1] Allmand,
Cullen,
Deakon,
Dinsdale,
[2] Hymmen,
[3] Guay (*St-Boniface*),
Gundlock,
[4] Hogarth,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
Orlikow,
Simpson,
Southam,
[5] Stafford,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20)

Le secrétaire du comité
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65 (4) (*b*)

[1] Replaced Mr. Buchanan April 17, 1969.
[2] Replaced Mr. Borrie April 17, 1969.
[3] Replaced Mr. Smerchanski April 17, 1969.
[4] Replaced Mr. Duquet April 17, 1969.
[5] Replaced Mr. O'Connell April 17, 1969.

Conformément à l'article 65 (4) (*b*) du Réglement

[1] Remplace M. Buchanan le 17 avril 1969.
[2] Remplace M. Borrie le 17 avril 1969.
[3] Remplace M. Smerchanski le 17 avril 1969.
[4] Remplace M. Duquet le 17 avril 1969.
[5] Remplace M. O'Connell le 17 avril 1969.

[*Text*]

MINUTES OF PROCEEDINGS

FRIDAY, April 18, 1869.
(19)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.45 a.m. The Chairman, Mr. Watson presided.

Members present: Messrs. Allmand, Cullen, Deakon, Hymmen, Gundlock, Hogarth, Kaplan, Simpson, Stafford, St. Pierre, Watson—(11).

Also present: Messrs. Turner (*London East*), and Whiting.

Witness: From McGill University: Mr. Maxwell Cohen, Dean of the Faculty of Law.

The Committee continued consideration of item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70 so as to allow discussion of the subject "Arctic Boundaries" as agreed at the meeting on March 25, 1969.

On motion of Mr. Cullen, it was

Agreed,—That reasonable travelling and living expenses be paid to Dean Maxwell Cohen.

The Chairman introduced the witness. Dean Cohen addressed the Committee after which he was questioned.

At the request of Mr. Gundlock, it was

Agreed,—That the article *Innocent Passage in the Arctic* by Professor A. Donat Pharand in The 1968 Canadian Yearbook of International Law be made an Exhibit (*See Exhibit No. 8*) and that the Clerk of the Committee be instructed to distribute copies to the members of the Committee.

[*Traduction*]

PROCÈS-VERBAL

VENDREDI 18 avril 1969
(19)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 9 h. 45. M. Watson, président, occupe le fauteuil.

Présents: MM. Allmand, Cullen, Deakon, Hymmen, Gundlock, Hogarth, Kaplan, Simpson, Stafford, St-Pierre et Watson—(11).

Aussi présents: MM. Turner (*London-Est*) et Whiting.

Témoin: De l'Université McGill: M. Maxwell Cohen, doyen de la Faculté de droit.

Le Comité poursuit son étude du crédit n° 1—Administration du ministère—du Budget des dépenses pour l'année financière 1969-1970 ayant trait au ministère des Affaires indiennes et du Nord canadien, afin de discuter de la «délimitation de l'Arctique» comme il en avait été convenu à la séance du 25 mars 1969.

Sur une motion de M. Cullen,

Il est convenu de verser à M. Maxwell Cohen une indemnité raisonnable de déplacement et de séjour.

Le président présente le témoin. M. Cohen fait un exposé, puis est interrogé.

A la demande de M. Gundlock,

Il est convenu de verser au dossier à titre de pièce à l'appui (*voir le document n° 8*) l'article du professeur A. Donat Pharand intitulé *Innocent Passage in the Arctic* qui a paru dans The 1968 Canadian Yearbook of International Law, et de charger le secrétaire du Comité d'en remettre des exemplaires aux membres du Comité.

20078—1½

Later, the Chairman and members of the Committee thanked the witness.

At 11.35 a.m. on motion of Mr. St. Pierre, it was

Agreed,—That the Committee adjourn to Tuesday, April 22, 1969.

Plus tard, le président et les membres du Comité remercient le témoin.

A 11 h. 35 du matin, sur la motion de M. St-Pierre,

Il est convenu d'ajourner la séance jusqu'au mardi 22 avril 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Friday, April 18, 1969

• 0943

The Chairman: Gentlemen, I will call the meeting to order. We are on Vote 1 of the estimates, the administration of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

I would first like to introduce someone to the Committee who perhaps does not need too much introduction. I think most of us know Dean Maxwell Cohen of the Faculty of Law, McGill University. Dean Cohen is an expert in international law. He has written a number of papers on certain aspects of international law which touch upon our sovereignty in the Arctic. As long ago as 1958 he was writing on polar ice and Arctic sovereignty, and we are most fortunate today to have him with us to give us some clarification on what has become a very topical subject, the question of Canadian sovereignty over our waters and ice

• 0945

in the area of open water between the Arctic islands. Dean Cohen has very kindly consented to come here today to give us his views on the question of our sovereignty in this area and we are looking forward to hearing his remarks. Dean Cohen.

Dean Maxwell Cohen (Faculty of Law, McGill University): Mr. Watson, I wanted to be here to address the hon. members of this Committee very briefly. I should not use the word "address", I am merely going to speak quite informally. I am particularly inhibited by the fact that two former students of mine are distinguished members of this Committee, the Chairman and Mr. Warren Allmand. Under those conditions a former teacher has to look at his words with a good deal of caution. Students used to have a habit—they have habits today that I do not understand—of remembering either the very best of their teachers or the very worst. I have never had a serious discussion with Mr. Watson or Mr. Allmand so I do not quite know what they remember of me. I will therefore make the worst of all assumptions and try to recapture the best of their memories.

It is pleasure to be here and to escape from academic life, which is not what it used to be.

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le vendredi 18 avril 1969

Le président: A l'ordre, messieurs. Nous en sommes au Crédit n° 1 du budget des dépenses de l'administration du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970. J'aimerais tout d'abord vous présenter quelqu'un qui n'a peut-être pas besoin de présentation. Je crois que la plupart d'entre vous connaissent monsieur Maxwell Cohen, doyen de la faculté de droit de l'Université McGill. Monsieur Cohen est un expert en matière de droit international. Il a écrit divers documents sur certains aspects du droit international en ce qui concerne la souveraineté du Canada dans l'Arctique. En 1958, il écrivait au sujet de la Souveraineté dans l'Arctique et sur la calotte glaciaire. Nous sommes très honorés de sa présence parmi nous aujourd'hui. J'espère qu'il élucidera un sujet très complexe, celui de la souveraineté du Canada sur les eaux et la banquise dans les régions qui se trouvent entre les îles de l'Arctique. Monsieur Cohen a consenti avec bienveillance à témoigner aujourd'hui pour nous faire part de ses vues sur la question de la souveraineté canadienne et nous sommes tout oreille.

M. Maxwell Cohen (Doyen de la Faculté de droit de l'Université McGill): Monsieur Watson, si j'ai désiré venir dans cette enceinte, c'était pour faire un bref discours. Enfin, il serait peut-être préférable de parler de causerie. Je suis d'autant plus gêné que je vois ici deux anciens étudiants, le président de ce Comité et monsieur Warren Allmand. Dans ces conditions, un ancien professeur doit faire preuve d'une certaine prudence parce que les étudiants, comme vous le savez, ont cette habitude, que je n'ai jamais comprise, de se souvenir d'un enseignant, soit en bien ou en mal. Je ne sais pas au juste ce dont messieurs Allmand ou Watson se rappellent de moi. Je vais essayer d'être à la hauteur de leurs meilleurs souvenirs.

C'est un plaisir de s'échapper de la vie universitaire qui n'est plus ce qu'elle était.

[*Text*]

Parliament and public life used to be where the action was. The action is now clearly elsewhere, but it is a very difficult kind of action and perhaps this may give me some respite from it.

When you were good enough to ask me, Mr. Chairman, if I would come here and discuss sovereignty in the Arctic, and with particular reference to the Arctic islands and the waters between, I was glad to do so because, while I had written a number of things over the years on the problems of Canadian sovereignty in the Arctic, this would give me a chance to bring myself up to date on the most contemporary debate—debate which, in my opinion, was brought to a head by the Prime Minister's statement of March 27 in answer to a question by Mr. Benjamin, the member for Regina-Lake Centre.

I would like to read what the Prime Minister said because it focuses very nicely on the issue that I think perhaps may be central. The Prime Minister replied on the status of the Arctic islands and perhaps I will first read part of Mr. Benjamin's question:

> Mr. Speaker, may I direct a question to the Prime Minister arising from an answer he gave some time ago...

and so on. Then:

> The Prime Minister told the hon. member for Winnipeg North Centre that there was no question about Canada's sovereignty in the north. May I ask whether that includes all the northern Arctic islands? Also, was the Prime Minister considering inland seas and 12-mile limits when he made his statement?

> Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer I gave a few weeks ago, which I repeat today, is that our sovereignty over all Arctic islands is not challenged in any way. I do not think the question of sovereignty has been disputed. I said before that the question of the status of the seas was not established in a way which entailed the recognition of the international community. This matter still has to be dealt with and will be the object of a policy statement by the government.

Then a supplementary question was put to the effect if he was going to discuss this with Mr. Nixon, and Prime Minister Trudeau replied:

> Mr. Speaker, I communicated to the President the fact that the question of territorial seas and especially of fishing

[*Interpretation*]

Jadis, l'action se trouvait au parlement, maintenant, elle est sur le «campus» universitaire, bien qu'elle soit de nature tout à fait différente.

Lorsque vous m'avez demandé, monsieur le président, de discuter avec vous de la question de la souveraineté du Canada dans l'Arctique, en particulier des îles de l'Arctique et des eaux, j'étais fier un peu de répondre à votre invitation car bien que j'aie écrit quelques ouvrages sur les problèmes de la souveraineté du Canada dans l'Arctique, cela me permettra de me mettre à jour sur les aspects les plus contemporains de ce débat qui, à mon avis, a atteint son amplitude lors de la déclaration du Premier Ministre au sujet d'une question posée par monsieur Benjamin, député de Regina-Lake-Centre.

Je me permettrais de vous donner la réponse du premier ministre sur le statut des îles de l'Arctique. Je lirai d'abord la question de monsieur Benjamin:

> Monsieur l'Orateur, ma question s'adresse au premier ministre. Elle découle d'une réplique donnée par lui il y a quelque temps

Il poursuit:

> Le premier ministre a dit au député de Winnipeg-Nord-Centre que la souveraineté du Canada dans les régions septentionales ne faisait aucun doute. Puis-je lui demander si ces régions comprennent toutes les îles de l'Arctique? En outre, le premier ministre songeait-il aux mers intérieures et aux eaux territoriales sur une distance de 12 milles lorsqu'il a fait sa déclaration?
>
> Le très hon. P. E. Trudeau (premier ministre): Monsieur l'Orateur, la réponse que j'ai donnée il y a quelques semaines et que je répète est celle-ci: notre souveraineté sur toutes les îles de l'Arctique n'est nullement contestée. On ne l'a pas, je pense, mise en doute. Le statut des mers, je l'ai déjà dit, n'a pas été défini de façon à entraîner l'accord de la communauté internationale. La question reste à régler et elle fera l'objet d'une déclaration de principe du gouvernement.

Une question complémentaire, a été posée à l'effet de savoir si on en discuterait avec monsieur Nixon et le Premier ministre Trudeau a répondu:

> Monsieur l'Orateur, j'ai dit au président que la question des eaux territoriales, surtout en ce qui concerne les droits

[*Texte*]

rights was of grave concern to us and we hoped to take a position on it soon which will be respected by all the international community.

That particular series of remarks by the Prime Minister is a very important series of

• 0950

remarks because it again opens the door to the debate over Canadian sovereignty in the north. But it goes farther than this; it really opens the debate as to the Canadian interpretation of a whole series of problems which now affect our east coast and west coast as well.

It indirectly impinges on the argument as to whether we can close in the waters behind the great islands on our east and west coasts, the waters between North America proper and Newfoundland, the waters on the west coast between the Queen Charlotte Islands and the mainland and the waters between Vancouver Island and the mainland. The concept you have about the nature of sovereignty in relation to island systems, either island systems in open sea or island systems close to your coast, whatever the theory may be that you are trying to evolve will necessarily influence—however different they may be physically in some respects—the debate with respect to our Arctic island system on the one side and our coastal island systems on the east and west coasts on the other, and very important international issues, as you can imagine, Mr. Chairman, will flow from the way in which this debate evolves.

I have jotted down here, sir, what regard as a series of headings on what the problems are. Let me just perhaps run down what the problems are.

There is first the problem of a general modern theory of sovereignty. Most of our theories of sovereignty over land mass, over waters, were the developments of the 16th, 17th, 18th and 19th centuries, which is quite a different period of exploratory knowledge, of topographical knowledge and, of course, of economic and navigational interest, and one might have to ask some fairly important questions on whether or not rules of law which emerged under the political and economic sociology of one period are really wholly applicable perhaps to different economic and social conditions three or four centuries later.

The second question, which is related to the first one, is the question of sovereignty over islands and island systems, where you get enormously complicated questions and

[*Interprétation*]

de pêche, nous préoccupait beaucoup et qu'à ce propos, nous comptions prendre bientôt une position que respecteront tous les membres de la communauté mondiale.

Cette série de remarques du Premier ministre a beaucoup d'importance car encore une fois, cela ouvre le débat sur la question de la souveraineté du Canada dans le Grand Nord. Mais en outre, elle ouvre aussi le débat sur l'interprétation du Canada sur toute une série de problèmes qui touchent la côte est et la côte ouest.

Indirectement, elle porte sur l'argument de pouvoir fermer les eaux entre les grandes îles sur notre côte de l'est et de l'ouest, les eaux de l'Amérique du Nord et de Terre-Neuve, les eaux de la côte ouest entre les îles de la Reine Charlotte et la terre ferme, et les eaux entre l'île Vancouver et la terre ferme. Le genre de principes qui sont reliés à la nature de la souveraineté dans le cas d'un archipel, soit en haute mer ou près de notre côte, quelle que soit la théorie, que vous essayez de faire valoir, cela influencera nécessairement la situation quelle que soit la situation géographique de ces îles de l'Arctique d'une part et les îles côtières de l'est et de l'ouest, d'autre part, et des conséquences internationales très importantes que vous pouvez imaginer, monsieur le président, découleront de ce débat. J'ai noté ici ce que je considère comme les différents problèmes importants que couvre cette question. Laissez-moi vous indiquer les problèmes que cela implique.

Il y a premièrement, la théorie moderne générale de la souveraineté. La plupart des théories de la souveraineté sur les eaux, les masses terrestres, ont été élaborées au cours du XVI^e, XVII^e, XVIII^e et XIX siècle, qui est une période différente de la connaissance des explorations, de la topographie et naturellement de l'intérêt pour les questions financières et de la navigation.

On pourrait se demander des questions fort importantes à savoir si oui ou non les règles juridiques qui ont émergé dans une socio-politique et socio-économie d'une période sont vraiment toutes applicables à un contexte économique et social différents des trois ou quatre siècles suivants.

La deuxième question qui est reliée à la première, c'est celle de la souveraineté sur les îles et les archipels où les questions prennent un tour tout à fait complexe surtout si les

[*Text*]

particularly where the island systems seem to be related to a coastal area. Does a coastal area have a particular claim to island systems off that coast on some broad grounds of law or geographical interest? We shall have to relate that question to our particular claims to the Arctic islands.

The third problem is the problem of the ice pack and the open Beaufort sea. The ice pack in the Arctic area is a phenomenon which I presume is unique on the globe. It is approximately 1,800 miles in diameter. In many places it averages—so I am told, I have never submerged there—in thickness from 8 to 20 feet, but there are places where it is perhaps as thick as 100 feet. Because of the fact the *Skate* and the other United States submarines were able to surface under the ice pack it revealed that the ice pack is not as solid as one originally thought it was. It was possible to surface beneath some parts of it because the thickness of it varied greatly in certain places. In some places the average depth would not be greater than 8 to 20 feet, which would allow submarines to come to the surface.

What does this do to the legal theory with respect to the ice pack? There is the problem of its density, the problem of its size and the problem of its mobility. It moves very slowly in a clockwise direction around the pole and the problems here, it seems to me, are extremely interesting because the ice pack has been used in a variety of ways. It has been used scientifically and, as you know, landing parties both from the U.S.S.R. and ourselves have remained on the ice pack for periods of time. The ice pack is also sufficiently stable to permit small planes to land in certain areas. Therefore when one speaks of the ice pack one cannot speak of it merely as frozen water—which I suppose it technically is—it is something a little more stable than the open sea and yet it has many of the attributes of the open sea and therefore problems of sovereignty about the ice pack are somewhat different perhaps than problems of sovereignty either over land or over the open sea itself.

• 0955

Then, of course, you have the question of the open sea in the Arctic itself. If I may just stand for a moment, you have the ice pack around the polar area and then here you have the whole of the open western sea, the Beaufort sea, where there is no Canadian island system at all. So, you are really dealing with three kinds of masses. You are dealing with the land mass of the Canadian archipelago, the island system here; you are dealing with

[*Interpretation*]

systèmes d'îles semblent être reliés à une région côtière. Est-ce que la région côtière peut se réclamer des archipels à l'intérieur de cette côte sur des motifs assez généraux de droit ou d'intérêt géographique? Il faudra relier cette question à nos réclamations sur les îles de l'Arctique.

Le troisième problème, c'est celui de la banquise et la mer libre de Beauport. La banquise dans la région Arctique est un phénomène qui je présume, est unique sur le globe. Elle couvre environ 1,800 milles de diamètre dans plusieurs endroits, du moins à ce qu'on me dit, car je n'y suis jamais allé, la profondeur en est de 8 à 20 pieds. Elle atteint parfois 100 pieds. Ce sont les découvertes faites par le *Skate* et d'autres sous-marins américains qui ont révélé que la banquise n'est pas aussi solide qu'on le croyait à l'origine. Il était possible de revenir à la surface à certains endroits, surtout parce que l'épaisseur de la banquise varie beaucoup. Dans certains endroits, l'épaisseur moyenne s'échelonne entre 8 à 20 pieds, ce qui permettrait à des sous-marins de monter à la surface.

Qu'est-ce que cela peut faire pour la théorie juridique au sujet de la banquise? Il y a le problème de la densité, de la dimension et de la mobilité? Elle bouge très lentement autour du pôle dans le sens des aiguilles d'une horloge et les problèmes me semblent assez intéressants car la banquise a été utilisée de différentes façons, à des fins scientifiques, et à des fins d'atterrissage pour les équipes américaines et canadiennes pendant une certaine période de temps. La banquise est assez stable pour permettre aux petits aéronefs d'atterrir sur cette superficie. C'est pourquoi, lorsqu'on parle de la banquise, il ne s'agit pas simplement d'eaux glacées qui est exact sur le plan technique, mais c'est un peu plus stable, que la pleine mer, pourtant elle possède plusieurs attributs de la pleine mer et par conséquent, les problèmes de la souveraineté qui sont assez différents de ceux de la souveraineté de la terre ferme ou de la haute mer.

Il y a aussi la question de la haute mer de l'Arctique. Vous avez ici toute une région autour de la région polaire et ensuite, vous avez toute la haute mer de l'ouest, la mer de Beaufort où il n'y a pas de système d'îles. Il y a donc trois sortes de masses: la masse terrestre de l'archipel canadien, ici l'archipel la banquise, quelque soit son statut juridique et la haute mer, large, immense. On pourrait aussi inclure les eaux du réseau interne de

[*Texte*]

the ice pack mass, whatever its legal status may be, and you are dealing with the wide, broad, open sea. Perhaps in a fourth sense you are dealing with the waters in the internal system of the island system. So, one has to begin to ask if the rules which apply to those various systems are the same and do they result in the same answer with respect to sovereignty on the surface.

Another question is what about the title to the air space over the Canadian Arctic, which is now so important because of transpolar flights. Does the air space over the ice pack have any significance for Canada? That depends on what particular claim you have to the ice pack. If, of course, the Arctic islands are the same as any part of the land of Canada, then by a variety of legal conventions and customary international law we have title to the air space over the islands and therefore no one can fly over our air space without our permission. The most difficult question of all, of course, is what about the air space over the water systems that link the islands together and, of course, as a subsidiary question, do we have any claim at all to the air space over the open Beaufort sea in that part of the Canadian Arctic?

Those are questions we shall have to ask ourselves. They were questions of importance 25 or 30 years ago when transpolar flight began and today, when transpolar flight is such an everyday commercial activity, it has already raised questions for our government and we shall have to look and see what the present debate over sovereignty in the Arctic islands and over the waters does to the air space question.

What about title over bays? There is a whole system of great bays here that are part of the islands. If we have a theory with respect to the islands, then presumably if the bays in these islands are historically part of an island system we can make certain claims to them. There is a huge bay here at Frobisher Bay. Is that wholly Canadian waters or is it open sea? It faces Davis strait. Cumberland sound is a huge area; is that Canadian waters? So, depending upon your theory of how you measure and where you draw your lines for sovereignty purposes, or of the new base line problem, it will give you a partial answer as to what the Canadian claim is to the waters of a whole system of bays which face the open sea particularly and were heretofore there may have been some doubt as to whether or not Canada could claim sov-

[*Interprétation*]

l'archipel. Par conséquent, il faut se demander au départ si les règles qui s'appliquent à ces divers systèmes sont les mêmes et si ces règles conduisent à la même réponse de la souveraineté.

Une autre question. Quels sont les titres au sujet de l'espace aérien au-dessus de l'Arctique canadien, qui est tellement important pour les vols transpolaires? Est-ce que l'espace aérien au-dessus de la banquise a quelque importance pour le Canada? Cela dépend de votre réclamation de la banquise. Bien sûr, si les îles de l'Arctique sont les mêmes que n'importe quelle partie de terre du Canada alors, par suite d'une variété de conventions juridiques et de droit international coutumier, nous avons droit à cet espace aérien, au-dessus des îles et par conséquent, personne ne peut emprunter cet espace aérien sans notre permission. Mais la question la plus difficile, c'est l'espace aérien au-dessus des réseaux d'eau qui relient les îles les unes aux autres et, naturellement, est une question accessoire. Réclamons-nous l'espace aérien au-dessus de la haute mer de Beaufort dans cette partie de l'Arctique canadien?

Voilà les questions auxquelles il faut répondre. Ces questions étaient importantes il y a 25 ou 30 ans, lorsque les vols transpolaires ont commencé. Aujourd'hui, ces vols relèvent d'une activité commerciale quotidienne qui a déjà soulevé des questions pour notre gouvernement. Et maintenant nous allons voir si le débat actuel sur la souveraineté au-dessus des îles, de l'Arctique et au-dessus des eaux affecte la question de l'espace aérien.

Il y a aussi les titres sur les baies. Il y a un grand système de grandes baies qui font partie des îles. Si nous avons une théorie relative aux îles, on peut alors supposer que si les baies dans ces îles font partie d'un archipel sur le plan historique, nous pouvons en faire la réclamation. Il y a un golfe à la baie Frobisher. Doit-on le considérer comme une partie de l'ensemble des eaux canadiennes ou est-ce la haute mer? Il fait face au détroit Davis. Cumberland Sound est une vaste région, est-ce qu'elle fait partie des eaux canadiennes? Tout dépend de votre théorie pour mesurer et dessiner les lignes aux fins de souveraineté d'un problème nouveau de ligne de base, cela vous donnera une réponse partielle en ce qui a trait aux eaux que les Canadiens considèrent des éléments d'un grand système de baies qui font face à la

[*Text*]

ereignty even though it clearly has sovereignty over the land itself.

Then you have, of course, the traditional question of title over territorial waters. If you have title to all the islands you presumably have title to the territorial belt around each island. The breadth of the territorial sea, which I shall come to later, is now a matter of some considerable debate but the classical three-mile limit is something which we have never disputed. What is now in dispute is from what points you measure that three-mile limit. Here we have what is called the base line headland to headland theory, which means that you really are measuring the three-mile limit but no longer by following the lines of the coast, you are measuring it by taking the outermost headlands, drawing a line there and then measuring three miles out into the water from that base line.

I will come to the historical basis for this of recent years. It means, of course, that if you have a very modern approach to what are territorial waters, then the status of some of these waters inside the system so far as Canadian sovereignty is concerned may be solved. But for some, it will not, because the distance is too great—40, 50, 60 miles. You will not get baselines which will converge in such a way as to give you, say, six miles or three plus three between the islands, and thus provide absolute control over them.

What about innocent passage through some of these waters? Assuming that we have a theory which gives us control over all of these waters, then these waters may be treated as if they were inland waters, like the St. Lawrence River or Lake Superior. If that is so, then what has the doctrine of innocent passage got to do with inland waters?

A doctrine of innocent passage is meant to be a doctrine to allow for passage from one part of the high seas to another through at the very least, territorial waters, but never through inland waters. And if we say that this island system is wholly Canadian and the waters are Canadian, a theory which I shall discuss in a moment, then you have to worry about the problem of what are the rights of passage for the commercial ships and warships of foreign states going through any part of the island system.

In that connection, a recent paper on the subject is worth your attention. Professor Donat Pharand of the University of Ottawa has written a very comprehensive study enti-

[*Interpretation*]

haute mer. Mais il a pu y avoir des doutes au sujet de la souveraineté du Canada à ce sujet, même si elle existe sur la terre elle-même.

Il y a aussi naturellement la question traditionnelle des titres sur les eaux territoriales. Si vous avez droit à toutes les îles, vous avez droit à la ceinture territoriale autour de chaque île. La largeur de la mer territoriale, question à laquelle je reviendrai plus tard est actuellement très controversée, mais la limite classique de 3 milles n'a jamais été contestée. Ce qui est mis en question maintenant, c'est la façon de mesurer la zone de trois milles, à partir de quels points? Il y a certaines théories comme celle de cap à cap, c'est-à-dire que vous mesurez la limite de trois milles mais ne suivez plus le contour côtier, mais vous prenez les deux caps les plus proéminents, et de ces deux points, vous tracez une ligne et vous mesurez ensuite trois milles dans les eaux à partir de cette ligne de base.

Le fondement historique de cette mesure est tout à fait récent. Cela signifie naturellement que c'est une méthode très moderne de ce que sont les eaux territoriales, alors le statut de certaines de ces eaux à l'intérieur du système en ce qui concerne la souveraineté canadienne, peut être résolu. Mais pour certaines d'entre elles, leur statut ne sera pas résolu, parce que la distance est trop grande, 40, 50, 60 milles. Il n'y aura pas, à ce moment-là, des lignes de base qui convergent, de telle manière à vous donner, disons, six milles ou trois plus trois entre les îles et vous fournir ainsi un contrôle absolu sur celles-ci.

Alors que penser d'un passage «officieux» à travers certaines de ces eaux? En assumant que nous avons une théorie qui nous donne le contrôle sur ces eaux, celles-ci peuvent donc être traitées comme si elles étaient des eaux intérieures comme le fleuve Saint-Laurent ou le lac Supérieur. S'il en ait ainsi, qu'est-ce que la doctrine d'un passage «officieux» a à faire avec les eaux intérieures?

Une doctrine de passage «officieux» est établie pour permettre le passage d'une partie de la haute mer à une autre par, au moins, les eaux territoriales, mais jamais à travers les eaux intérieures. Mais si nous disons que ce système d'îles est complètement canadien et que les eaux sont canadiennes, ce qui est une théorie dont je parlerai dans un moment, nous avons alors à nous préoccuper du problème des droits de passage pour les navires commerciaux et les navires de guerre des états étrangers qui passent dans toute partie du système d'îles.

A ce sujet, j'aimerais vous signaler un ouvrage récent qui est digne de retenir votre attention. Le professeur Donat Pharand de l'Université d'Ottawa a publié une étude soi-

[*Texte*]

tled "Innocent Passage in the Arctic", which has just been printed in the Canadian Yearbook for International Law for 1968. I commend it very much to anyone who is interested in this field.

Professor Pharand raises the questions that are so very important, namely, if you have a theory of sovereignty over all these waters, would you treat them as inland waters? Do you still have a duty to permit the ships of foreign states to traverse those waters? This is particularly relevant now, when the *Manhattan* project is under way in which the U.S. oil interests are trying to see whether they can hire a ship which will traverse the Northwest Passage, coming from the west and going to the east. I think this passage will be not through M'Clure Strait, but through Amundsen Gulf, Prince of Wales Strait, Viscount Melville Sound, and out through Lancaster Sound. The question is going to be whether or not this particular traversing of the Arctic requires Canadian permission. Is there a right on the part of everybody to traverse the waters where there has been a long tradition of regarding those waters as traversible, freely and by international law? Or does it now require Canadian permission once we assert a theory of sovereignty over the whole of the system?

Then there is an analagous problem, the title to straits. The Prince of Wales Strait may be 15 to 20 miles wide. What is the obligation on the part of Canada with respect to a strait from one part of the high seas to another? Can one control passage over straits? If a strait has been regarded as a strait for hundreds of years, and yet we now emerge with at theory of total sovereignty over these waters, will there be a duty to allow access as a matter of right to other states to traverse the high seas or to go from one part of the high seas, the west, to another part of the high seas through these Canadian straits or will it require Canadian permission for U.S. vessels or Russian vessels or any other vessels to do so?

Now we come to perhaps some of the most controversial problems. What about the title to the sea bed? Here of course we are into the oil exploration question. And there are at least four aspects to this question in physical terms when we ask the question about the

[*Interprétation*]

gnée intitulée «Innocent Passage in the Arctic,» qui vient d'être publiée dans l'Annuaire de Droit international du Canada de 1968. Je recommande hautement cet ouvrage à quiconque s'intéresse à cette question.

Le professeur Pharand soulève ces questions si importantes, notamment, celle qui pose ce problème: si vous aviez la souveraineté sur toutes ces eaux, les considéreriez-vous comme des eaux intérieures? Est-ce que vous avez toujours le devoir de permettre aux navires étrangers de traverser ces eaux? Et on peut voir la pertinence à cette question maintenant, lorsqu'on voit le projet Manhattan en cours, selon lequel les propriétaires américains de pétrole sont en train de voir s'ils peuvent noliser un navire qui traversera le passage du Nord-Ouest, venant de l'Ouest et se dirigeant vers l'Est. Je crois que ce passage ne sera pas à travers le détroit McClure, mais à travers le golfe Amundsen, le détroit Prince-de-Galles, le détroit Viscount Melville et le détroit Lancaster. La question n'est pas de savoir si on aurait la permission ou non du Canada pour traverser l'Arctique. La question qui se pose est la suivante: cette façon particulière de traverser l'Arctique nécessite-t-elle la permission du Canada? Y a-t-il un droit de la part de quiconque de traverser les eaux où il y a eu une longue tradition de considérer ces eaux comme pouvant être traversées librement et conformément au droit international? Ou exigeons-nous maintenant la permission du Canada une fois que nous établissons une théorie de la souveraineté sur tout le système?

Il y a alors un problème analogue, le droit de passage à travers les détroits. Le détroit du Prince-de-Galles peut être de 15 à 20 milles de largeur. Quelle est l'obligation de la part du Canada en ce qui a trait à un détroit qui va d'une partie de la haute mer à une autre? Peut-on contrôler le passage à travers les détroits? Si un détroit a été considéré comme un détroit depuis des centaines d'années, et que maintenant nous émettions une théorie de souveraineté totale sur ces eaux, y aura-t-il un devoir de permettre l'accès comme une question de droit aux autres états pour traverser la haute mer ou aller d'une partie de la haute mer, de l'Ouest, vers une autre partie de la haute mer en empruntant ces détroits canadiens? Faudra-t-il la permission du Canada pour les navires américains ou russes ou tout autre navire pour ce faire?

Puis nous passons alors à quelques-uns des problèmes peut-être les plus controversés. Que dire du droit au lit de la mer. Ici, évidemment, nous abordons la question de l'exploration pour trouver du pétrole. Il y a au moins quatre aspects à cette question, en ter-

[*Text*]

seabeds. One of these aspects is the seabed of the territorial sea around any of these islands, which is the point three miles beyond the newly-drawn baselines, wherever those baselines will legitimately be drawn now. And I think the general reaction would be that the coastal sovereign has, without question, jurisdiction to exploit the resources of the seabed and subsoil in his own territorial sea. So the territorial sea exploration problem really does not, it seems to me, raise much controversy.

What about the territorial sea within the new Canadian fishing zones? We have now a theory that beyond three miles, we could declare fishing zones a further nine miles, calling these Canadian fishing waters. Do we therefore give to the seabed of that further nine miles a special status for exclusive Canadian exploitation, analagous to the exclusive exploitation status we have within the three miles itself? I think under ordinary conditions the answer would be that we do not know.

Probably there might be some doubt as to whether the fishing zone theory confers any additional seabed and subsoil benefits to the coastal state. But what rescues any debate for Canada over whether we have, in that nine miles beyond the three miles, any jurisdiction of the seabed and subsoil, for oil or anything else, is the continental shelf theory.

This theory is now well-established. It was, as you know, propounded first by President Truman in 1945 in his famous proclamation when he asserted United States sovereignty over the Atlantic Continental Shelf extending off the United States coast for a distance of somewhere between 100 and 125 miles, to a depth of 100 to 200 metres. Indeed, the 200-metre line has often been used as the line descriptive of a continental shelf, because that was regarded as the line that would really justify claiming the land to be part of the continent, with only 600 feet of water over it, by one of those geological accidents that are only several million years old. Therefore the coastal sovereign could claim jurisdiction over the seabed and subsoil without making any claims whatever to the surface of the sea or the resources of the sea itself. And the Truman doctrine of 1945 on the whole has

[*Interpretation*]

mes physiques, lorsqu'on pose la question au sujet des fonds marins.

L'un de ces aspects est le fond marin des autour de quelconque de ces îles, qui est un point de trois milles au-delà de la ligne de base nouvellement tracée, à savoir si ces lignes de base seront tracées maintenant d'une façon légitime. Je crois que la réaction générale à ceci serait que le pays côtier a le droit sans opposition, d'exploiter les ressources des fonds marins dans ses propres mers territoriales. Alors, pour ce qui est de l'exploration des fonds marins dans les mers territoriales, ne porte pas, à mon avis, sujet à controverse.

Que dire alors des mers territoriales dans les nouvelles zones de pêche canadienne? Il y a maintenant une théorie, selon laquelle au-delà de 3 milles, nous pourrions déclarer des zones de pêche pour un autre neuf milles en les déclarant eaux de pêche canadiennes. Donnons-nous donc à ce fond marin pour ces neuf milles supplémentaires un statut spécial et des droits exclusifs d'exploitation par des Canadiens, analogues au statut exclusif d'exploitation établi en dedans des trois milles? Et là, je pense, que dans des conditions normales, la réponse serait que nous ne le savons pas.

Probablement il y aurait certains doutes posés lorsqu'il s'agirait de savoir si la théorie des zones de pêche accorde quelque fond marin supplémentaire et des bénéfices sous-terrains à l'Etat côtier. Mais ce qui est à l'avantage du Canada dans tout débat pour déterminer si nous avons ou non, dans ces neuf milles au-delà des trois milles, quelque juridiction du fond marin et du sous-terrain pour l'exploitation du pétrole ou de toute autre chose, est la théorie de la zone continentale.

Cette théorie est maintenant bien établie. Cette théorie comme vous le savez, a été proposée tout d'abord par le président Truman en 1945 dans sa fameuse déclaration, où il affirma la souveraineté des États-Unis sur la zone continentale au-dessus de l'Atlantique qui s'étend de la côte Atlantique à une distance d'environ 100 à 125 milles à une profondeur de 100 à 200 mètres. En effet, la ligne de 200 mètres a souvent été utilisée pour décrire la zone continentale, étant donné qu'on considérait que ceci était la ligne qui pouvait permettre de réclamer, si l'on veut, le territoire comme faisant partie du continent, avec seulement 600 pieds d'eau au-dessus de celle-ci, en raison de l'un de ces accidents géologiques qui ne comptent que plusieurs millions d'années. Par conséquent, le souverain côtier pourrait réclamer la juridiction sur le fond marin et le sous-terrain sans faire aucune

[*Texte*]

now been converted into international legislation of a kind crystalized in the 1958 Geneva Conventions, one of which dealt with the continental shelf.

The continental shelf doctrine, to the extent that Canada takes advantage of it, does not require us to ask any questions about the jurisdiction of Canada with respect to the continental shelf beyond three miles. If most of the world now accepts the continental shelf theory, then Canadian exploitation of the seabed 10, 15, 20 or 30 miles off the island coast does not raise any serious issue, if there is a true shelf and if that shelf comes within the definition that the international community accepts.

In talking to one of the leading Canadian authorities on the matter, I discovered that most of the Arctic area seabed has now been mapped and it is apparently accepted by the geologists that the entire Arctic basin is a shelf. So that we are in the fortunate position of dealing with an island system where the waters covering the area between the islands are themselves part of a common shelf system. To that extent we are not dealing in any of these great water areas with a bit of the sea beyond the shelf in the way that it is 125 miles or 140 miles off the Atlantic coast.

There are apparently one or two areas where the shelf drops down into a trench. But the greater part of the bed of the sea in the island area averages only around 200 metres in depth, and is therefore within the definition of the continental shelf and exploitable by Canada in an exclusive sense just as our east coast shelf is exploitable by Canada.

If the geologists are correct in saying that the entire island system is a shelf system, with very few exceptions, then the shelf theory really solves the problem relative to the ability of the coastal sovereign to exploit the bed of the sea. Then you do not need sovereignty over the waters, as such, because sovereignty over the waters would only be necessary if you did not have another theory to justify the exploitation of the seabed.

For example, if all the inter-island water system were really a high seabed system going down 10,000, 20,000, 30,000, or 40,000 feet—and some parts of the Atlantic go down to 23,000 or 24,000 feet—then you would have a real problem, because you would not be able to apply the Continental Shelf doctrine

[*Interprétation*]

réclamation quelle qu'elle soit de la mer ou des ressources de la mer elle-même. La doctrine de Truman a maintenant, en gros, été transformée en une législation internationale d'un genre qui s'est cristallisé dans les Conventions de Genève, dont l'une traitait de la zone continentale.

La doctrine de la zone continentale, en autant que le Canada en tire parti, ne nous demande pas de nous poser de questions sur la juridiction du Canada en ce qui a trait à la zone continentale au-delà de trois milles. Si la plupart des pays acceptent maintenant la théorie de la zone continentale, alors l'exploitation canadienne des fonds marins, de 10, 15, 20 ou 30 milles au loin de la côte ne pose pas de problème grave, s'il y a une vraie zone et si cette zone s'en tient à la définition que tous les pays acceptent.

En causant avec l'une des autorités canadiennes les plus importantes en la matière, j'ai découvert, j'ai constaté que la plupart des fonds marins de la région de l'Arctique ont été maintenant portés sur carte et apparemment, il est accepté par les géologues que tout le bassin de l'Arctique est un plateau. Nous avons donc la chance d'avoir un système d'îles où les eaux qui recouvrent la région entre les îles font partie elles-mêmes d'un système commun de plateau. A ce point-là, nous ne traitons pas dans quelconque de ces régions de haute mer avec un peu de la mer au-delà du plateau de telle façon qu'il soit à 125 ou 140 milles de la côte Atlantique.

Il y a apparemment une ou deux régions où le plateau décroit et devient une tranchée. Mais la majeure partie du fond marin dans la région des îles n'a qu'environ 200 mètres de profondeur et est par conséquent conforme à la définition du plateau continental et peut donc être exploité par le Canada dans un sens exclusif tout comme notre plateau côtier de l'Est est exploitable par le Canada.

Donc si les géologues ont raison de dire que les îles de l'Arctique font partie du plateau continental à peu d'exceptions près, la théorie du plateau continental résout le problème en ce qui concerne le pays qui a la souveraineté d'exploiter cette région. Dans ce cas-là, nous n'avons pas besoin de souveraineté sur l'eau, si l'on veut, parce qu'elle ne serait que nécessaire si vous aviez une autre théorie pour justifier l'exploitation des fonds marins. Nous avons en fait un système de plateau continental, ou, si l'on veut, de fond marin jusqu'à 10,000, 20,000 et 30,000 pieds de profondeur et pour les profondeurs de 23,000 à 24,000 pieds se pose réellement un problème parce qu'on ne peut appliquer le système de plateau continental au-delà d'un certain point. Mais appa-

[*Text*]

beyond the actual point of the Continental Shelf itself. But apparently the greater part of the island system is a shelf system, and the waters over it are over the Continental Shelf, and they average only something around 200 metres.

Therefore, the exploitation of that area by Canada, which is clearly, by international acceptance, sovereign over all the islands themselves—I do not think there has been a serious dispute about that in recent years and I will perhaps come to the legal theory if you want me to in a moment or two—the fact that we have sovereignty over the islands, means we have sovereignty over the coastal shelf of each island; and because the coastal shelf of each island extends outward to the totality of the distance at which you can realistically describe it as a shelf, you therefore move from island to island at an average depth of 200 metres and can say that the area is within the sovereign jurisdiction of the coastal state, namely, Canada.

Therefore, the problem of jurisdiction over the waters, which is so serious and so controversial and so interesting, is, in a way, resolved by the Continental Shelf theory, if we assume that most of the world has now accepted the definition of a Continental Shelf and the right of a coastal state to exploit the resources of the seabed and sub-soil of that Continental Shelf.

The fourth problem of title to the resources of the seabed and sub-soil is the problem of the floor of the sea. If, in fact, you do have a few trenches, or some areas that are really the kind you have off our own East Coast, where the Continental Shelf suddenly drops down, after 125 miles at an average depth of 200 metres, 10,000, 16,000, 18,000, or 20,000 feet, you then get into a different kind of problem. If this were true—and here I am not competent to judge; I am only repeating what is apparently the present, conventional wisdom of the marine geologists surveying the area—you would then be into the kind of problem now facing the UN, about which Mr. Kaplan knows a good deal more than I do, because he sat on the first committee discussing the resources and the sovereignty over the seabed at the United Nations last year.

The main problem—if I may paraphrase some of the learning in this area,—to which I hope he will also address himself—is that the international community, in a series of UN resolutions now, in an attempt to deal with the three UN resolutions—denies the capacity of any state to claim sovereignty over any part of the floor of the bed of the sea, strictly so-called—that is, beyond the Continental

[*Interpretation*]

remment, le plateau continental se répartit à peu près partout. Donc, il n'y a que 200 mètres de profondeur dans la plupart des régions.

Le Canada peut donc se considérer souverain de toute cette région, et ceci est accepté dans les milieux internationaux. Je ne pense pas qu'il y ait eu de sérieux conflits à ce sujet au cours des dernières années et je pourrais peut-être aborder les points de vue plus juridiques un peu plus tard. Le fait que nous ayons la souveraineté sur les îles, signifie que nous avons la souveraineté sur le plateau continental de chaque île. La souveraineté s'étend jusqu'à l'endroit que l'on peut considérer comme le plateau continental. On va alors d'une île à l'autre à une profondeur moyenne de 200 mètres et on peut dire que la région dans les limites de la souveraineté est le Canada.

En ce qui concerne la souveraineté sur les eaux, il s'agit d'un problème sérieux, controversable et intéressant mais qui est résolu par la théorie du plateau continental si l'on présume que la plupart des pays ont maintenant accepté la définition qui permet d'exploiter les ressources du fonds marin ou du souterrain de ce plateau continental.

Le quatrième problème concernant l'autorisation d'exploiter le fond sous-marin porte sur certains fossés marins. S'il y a des fossés marins ou certains endroits comme notre côte est où le plateau continental après 125 milles descend à une profondeur moyenne de 200 mètres ou 10,000, 20,000, ou 30,000 pieds, on abordera un autre problème. Je ne répète que la convention actuelle des géologues maritimes. Vous auriez ensuite à faire face au genre de problèmes actuels de l'ONU que monsieur Kaplan connaît plus que moi, parce qu'il a siégé au premier Comité sur la question des ressources et de la souveraineté sur les fonds marins, tenu aux Nations-Unies l'année dernière.

Mais le grand problème, si je peux paraphraser quelques connaissances dans ce domaine, dont il traitera, je l'espère, c'est que la communauté internationale, dans une série de résolutions de l'ONU, en cherchant à s'occuper de trois résolutions des Nations-Unies, nie à un pays la possibilité de réclamer la souveraineté sur une partie du lit de la mer, appelé ainsi au-delà du plateau continental.

[*Texte*]

Shelf. The dilemma here is that the Continental Shelf 200-metre rule really was designed and grew up when the technology for exploiting the resources of the sea—whether you were drilling an oil well in the Gulf of Mexico or off the Virginia coast—hardly conceived of a situation in which you would be able to drill a well with your rig on the surface and the surface of the sea more than 600 feet away from you.

But the technology of resource exploitation since 1945 has developed enormously. There already has been a series of American experiments that have taken instrumentalities down something of the order of 8,000, 10,000, 11,000, 12,000 feet below the surface of the sea.

What does this do to the theory of the Continental Shelf? Indeed, there is language in the Convention dealing with the Continental Shelf, which keeps the idea of exploitation open-ended—open-ended for the change in technology—to go beyond 200 metres when technology allows you to do so.

• 1015

If we discover that the geologists are wrong in the Arctic and that a large part of this mapping will show that there are areas which are 8,000, 10,000, or 15,000 feet deep, and are not shelf areas, strictly so-called, does that change the Canadian ability to control the exploitation of the seabed?

At this moment in time I think a conflict is developing in legal theory. The conflict is between the UN efforts of the past two or three years to make it impossible for any country to claim jurisdiction over any part of the floor of the sea, strictly so-called, beyond the Continental Shelf, and the open-ended language of the continental shelf doctrines emerging from the Geneva Convention of 1958, which, though they refer to the 200 metre line, were left open for changes in technology.

Now, if changes in technology allow you to dig an oil well of 10,000 feet or 15,000 feet, how do you reconcile that concept with the concept emerging in UN resolutions of trying to say that no one shall have the ability to exploit the floor bed of the sea—the bed of the sea beyond the continental shelf—except the international community itself develops some international agency which speaks in the name of the whole international community?

Those are the problems, Mr. Chairman. I am not here to answer any of them. I am here to show how interesting life can be if you have problems. This is the permanent

[*Interprétation*]

Le dilemme vient de ce que la règle du plateau continental à 200 mètres a été déterminée lorsque la technique d'exploitation des fonds marins, par exemple des puits de pétrole dans le golfe du Mexique, ou du large de la côte de la Virginie, pouvait difficilement concevoir une situation dans laquelle vous pourriez forer un puits avec votre équipement sur la surface ou la surface de la mer à plus de 600 pieds de vous.

Mais la technique de l'exploitation des ressources s'est beaucoup développée depuis 1945. Il y a déjà eu une série d'expériences américaines qui a permis d'utiliser des instruments permettant d'aller jusqu'à 8,000, 10,000, 11,000 et 12,000 pieds au-dessous de la surface de la mer. Quel est le rapport avec la théorie du plateau continental? Il y a en fait une clause dans la convention qui traite du plateau continental qui permet d'aller au-delà de 200 mètres si les appareils vous le permettent. Si nous découvrons que les géologues ont tort dans l'Arctique et dans une grande partie de cette région en indiquant qu'il s'agit des régions qui ont une profondeur de 8,000, 10,000 ou 15,000 pieds et non pas des zones de plateau au sens propre, est-ce que cela modifierait la capacité du Canada de surveiller l'exploitation du lit de la mer?

Et à ce moment-ci, je pense qu'un conflit surgit dans la théorie juridique. Le conflit vient des efforts des Nations unies des deux ou trois dernières années pour empêcher un pays de s'arroger la souveraineté sur une partie du lit de la mer à strictement parler au-delà du plateau continental.

Mais le langage flexible des doctrines sur le plateau continental qui émane de la Convention de Genève de 1958 qui, même si elles parlent d'une ligne de 200 mètres, ont été laissées aux changements de technique.

Si les changements technologiques vous permettent de creuser un puits de pétrole de 10,000 ou 15,000 pieds comment pourriez-vous concilier cette théorie avec celle des résolutions de l'ONU qui cherche à dire que personne ne devra pouvoir exploiter ces fonds marins au-delà du plateau continental, sauf la communauté internationale qui pourrait créer un organisme international pour parler au nom de tous les pays du monde.

Voilà les problèmes qui se posent, monsieur le président. Je ne suis pas ici pour y répondre. Je suis ici simplement pour raconter comme la vie peut être intéressante si nous

[*Text*]

Canadian dilemma. But let me make an attempt at least to develop a pattern in which perhaps some solutions can be found, without really imposing on you any ideas of my own, as such.

First of all, I think you are entitled to ask the question, which I will not attempt to answer except in a very superficial way, because there is a lot of literature you can read: From where, relative to the whole Arctic island system, do we get any of the theories of title or sovereignty, anyway?

Not many Canadians went up there and explored this area and took it over themselves.

We had better take a hard-boiled look at what is the basis of our sovereignty, in the first place; and, secondly, once we decide what the basis of our sovereignty is, we then have to ask: Does the sovereignty extend not merely to the island land masses but also to the waters between them?

Let us take a look at that. I say there are five or six perfectly good reasons for having confidence in Canadian sovereignty over the Arctic archipelago. The first is that we think we were the state successors to all of the British exploration and all of the British title passed to us by an Imperial Order in Council in 1880.

You will find this material set out in Professor Ivan Head's article which appeared in the McGill law journal of 1964. It is very worthwhile reading. You can also see it again referred to in Professor Pharand's article. You will see referred to in all the literature this very important legal position in 1880, when a British Order in Council transferred its title to whatever the British had in the Arctic at that time.

You must bear in mind that British exploration from the late 16th century and early 17th century on covered every Arctic island of any importance except two, Axel Heiberg and one other, the name of which escapes me at the moment. Only two of the major islands which we then inherited were not the discoveries of British explorers.

So that to the extent that the law of state succession in international law gave to us what the imperial sovereign called Britain originally had, we took it on a perfectly sound legal basis, but qualified in that, after all, the grantor could only give what he had—that if there were any doubts in 1880 about what the grantor had, or any qualifications on the British title of 1880, he could not give us

[*Interpretation*]

avons des problèmes. C'est toujours le dilemme canadien. Laissez-moi essayer de créer au moins un modèle qui fournirait certaines solutions, sans croire pour autant que je désire vous imposer certaines de mes idées.

Tout d'abord, nous avons le droit de nous poser des questions et je n'y répondrai que d'une manière superficielle, parce que vous pouvez consulter de nombreux ouvrages à ce sujet. Où trouvons-nous ces théories sur les titres ou la souveraineté au sujet des îles de l'Arctique?

Il n'y a pas beaucoup de Canadiens qui sont allés explorer ce territoire et qui ont leur propre théorie là-dessus. Il est préférable de jeter d'abord un regard sur ce qui forme la base de notre souveraineté, et ensuite, une fois que nous avons décidé quel était ce fondement, il faut alors se demander si cette souveraineté ne s'étend pas seulement aux îles mais aussi aux eaux comprises entre les îles.

Regardons-y de plus près. Nous avons cinq ou six bonnes raisons de croire en la souveraineté canadienne sur l'ensemble de l'Archipel de l'Arctique. Tout d'abord, nous sommes l'État successeur de toutes les explorations britanniques et de tout titre de propriété britannique qui nous a été transmis par un décret impérial du conseil de 1880.

Vous trouverez la documentation relative dans un article qui a été publié par le professeur Ivan Head en 1964 dans la revue juridique de l'université McGill. C'est une lecture très enrichissante. Vous pouvez aussi consulter l'article du professeur Pharand. Vous verrez dans toutes les littératures, cette position juridique extrêmement importante en 1880 quand un décret britannique en conseil a transmis les titres que la Couronne britannique avait dans l'Arctique à cette époque.

Vous devez vous rappeler que l'exploration britannique depuis la fin du XVI[e] siècle et le début du XVII[e] siècle, portait sur toutes les îles de l'Arctique d'une certaine importance, sauf deux d'entre elles, l'île d'Avel Heiberg et une autre île dont le nom m'échappe présentement. Uniquement deux grandes dont nous n'avons pas hérité n'avaient pas été découvertes par les Britanniques.

Si bien que, en ce qui concerne le droit de succession d'un pays, dans le droit international nous a légué ce que la Couronne britannique, appelée Grande-Bretagne, avait, nous l'avons considéré selon des principes juridiques extrêmement sérieux mais mitigés voulant que, après tout, le concessionnaire ne donnerait que ce qu'il possédait et que s'il y avait des doutes au sujet des droits ou des posses-

[*Texte*]

any more than he had at that time. That is one basis.

The second basis for our title is the well-established doctrine of peaceful and continuous display of authority, or what is sometimes called, in legal shorthand, the doctrine of effective occupation. This means making sure that the sovereign behaves in the eyes of the international community as though he really treats this area as his own, and that he does so continuously.

So the old Royal Northwest Mounted Police began making their visits to Arctic islands in the 1880s and 1890s. By the turn of the century we had regularly established procedures of visit and I would say, to the extent that the doctrine of peaceful and continuous display of authority is still regarded by the international community as an indispensable element in securing sovereignty, to have simply taken over what the British discovered in 1880 with no further action on our part, then by 1969 there would have been grave doubts as to whether we had any claim to sovereignty. It would have disappeared in the absence of any spirit of occupation. There had to be a spirit of occupancy demonstrated by governmental behavior over a long period of time and I think, to the credit of Canadian Arctic policy, the spirit of effective occupation has, in fact, been demonstrated in a great variety of ways.

So, assuming that we did occupy effectively, can it be said in all honesty that we occupied all parts of these islands? Some of these are very large areas: the Victoria Island area, Banks Island, Baffin Island; the McGill expeditions to Baffin Island recently in exploration are relatively new but important. The actual living on these islands for either economic or military or political purposes is a matter of relatively recent vintage. What then happens to a doctrine of effective occupation? Is it enough to go there and plant a flag, or pat a native on the back and then leave? What is the way in which we demonstrate to the rest of mankind the effectiveness of our interest in this area?

We are rescued here by the famous decision of the world court in the 1920s in the Eastern Greenland case. In the Eastern Greenland case, there was a dispute between Norway and Denmark over Greenland, the argument concerned several legal issues which I will not bother you with, but the central one affecting us is that a state making a claim to a barren and difficult area, where that state really effectively occupies only the

[*Interprétation*]

sions britanniques en 1880, il ne pourrait pas nous donner plus que ce qu'il avait à ce moment-là. Voilà un des fondements.

Deuxièmement, c'est la théorie bien établie de l'étalage pacifique et continu de l'autorité ou ce qu'on appelle parfois dans l'argot juridique, la doctrine du droit de l'occupant. Cela veut dire qu'il faut s'assurer que la souveraineté aux yeux du monde traite ce territoire comme s'il était le sien, et cela continuellement.

Alors, la Gendarmerie royale du Nord-Ouest de l'époque commença à faire ses visites des îles de l'Arctique vers 1880 et 1890. Au début du siècle, nous avions établi un système de visites régulières et, je dirais, à telle enseigne que la manifestation pacifique et continuelle d'autorité est encore considérée par la collectivité internationale comme un élément indispensable pour assurer la souveraineté. S'être emparé seulement de ce que la Grande-Bretagne avait découvert en 1880 sans autre geste de notre part, des doutes sérieux se seraient alors manifestés quant à notre droit à la souveraineté. Elle aurait disparu en absence de tout esprit d'occupation. Il fallait qu'un nouvel esprit d'occupation soit démontré par le comportement du gouvernement pendant une longue période de temps et je dois dire, à l'avantage de la politique canadienne dans l'Arctique, que l'esprit d'une occupation agissante a, en fait, été démontré d'un grand nombre de façons...

En supposant alors que notre occupation ait été efficace, pouvons-nous dire en toute honnêteté que nous avons occupé chacune des parties de ces îles? Certaines d'entre elles représentent de vastes territoires: le territoire des îles Victoria, l'île de Banks, l'île de Baffin. Les expéditions de McGill qui ont donné lieu à des explorations récentes sont relativement nouvelles mais importantes. Le fait d'avoir vécu sur ces îles pour des raisons soit économiques, militaires ou politiques est relativement récent. Qu'arrive-t-il à la doctrine d'occupation agissante? Suffit-il d'aborder le drapeau, de taper sur l'épaule des Esquimaux et d'en revenir? Comment démontrer au reste du monde l'intérêt que nous portons à ce territoire?

Ce qui vient à notre rescousse ici c'est la décision de la cour internationale dans le cas du Groenland de l'Est, dans la cause de 1920. Dans cette cause, il y avait dispute entre le Danemark et la Norvège au sujet du Groenland. La dispute concernait plusieurs questions juridiques dont je vous ferai grâce, mais le point central qui nous intéresse est qu'un État qui se réclame d'un territoire aride et difficile où il occupe effectivement la région

[*Text*]

coastal area, has done enough if, in fact, the hinterland is so barren and so challenging that it is not logical to have the same demonstration of authority, in the same detail, inside.

So, they said, the Danish claim to the whole of Greenland was supported by the very nature of the geography, and the occasional visit to the interior of Greenland was sufficient for the coastal authority in Greenland, namely Denmark, to justify its sovereign claims.

That helps us: it means that even if we never went into the interior of Baffin Land, except once in a while, or the interior of Victoria Island or the interiors of any of the upper north Ellesmere system, even if we only got there relatively infrequently and did not examine all of it, there is a doctrine of great respectability which protects our overall sovereignty on the grounds that there was a sufficient amount of effective occupation on the coasts or in certain bases to justify our claim to the hinterland as well. Nobody else could claim it, there was no real rivalry which demanded our continuing activity in those areas. Whatever may have been the U.S. interest in the area or the U.S.S.R. interest, it was not a continuing challenge to us to the very interior of those island systems as such. So we are rescued by the hinterland theory of the Eastern Greenland case.

Supposing there are still doubts about whether some of these islands were ever explored by the British, or that some of them may not have been mentioned in the Order-in-Council in 1880, or some of them may have been visited infrequently by Canadians sufficiently to demonstrate effective occupation: what then? What if there are some gaps in our title in some areas so large and so complex as that whole Arctic archipelago? If

• 1025

there are gaps in our title, I suggest there are two or three other ideas to rescue us. Thank God for the law; it always has an answer for all the gaps.

The first answer is that possibly, but not probably, there is a doctrine of continuity. When you get an island system contiguous to a land mass, the coastal authority probably has some claim to it. Put in converse terms, if you had an island system really geologically related to the land mass, it is clear that the coastal sovereign is in a much better position than a stranger unless that stranger can

[*Interpretation*]

côtière seulement s'en est préoccupé suffisamment si, en fait, l'arrière-pays est si aride et stérile qu'il est illogique d'avoir la même manifestation d'autorité aussi déployée, à l'intérieur des Terres.

Aussi, a-t-on dit, la revendication des Danois était appuyée par le fait géographique, et la visite occasionnelle du Territoire intérieur du Groenland suffisait à l'autorité qui occupait la côte au Groenland, notamment le Danemark, pour justifier sa revendication à la souveraineté.

Par conséquent, même si nous n'allons jamais à l'intérieur de l'île de Baffin, sauf à quelques exceptions, ou à l'intérieur de l'île Victoria, ou à l'intérieur d'aucun des archipels d'Ellesmere, même si nos visites n'étaient que très peu fréquentes relativement et si nos visites n'étaient que partielles, il existe une doctrine très respectable qui protège notre souveraineté globale du fait qu'il y ait eu suffisamment d'occupation active sur les côtes ou de certaines bases pour justifier notre revendication de l'arrière-pays au même titre. Personne d'autre ne pourrait le revendiquer; il n'y avait pas de rivalité réelle exigeant que nous exercions une activité continuelle dans ces régions. Peu importe les intérêts qu'ont pu avoir les États-Unis ou l'URSS dans ces régions, ils n'ont pas constitué un défi pour nous à l'intérieur de ces groupes d'îles comme tels.

Supposons qu'il y ait encore des doutes au sujet de ces îles, sur le fait que certaines d'entre elles n'ont peut-être jamais été explorées par les Anglais, ou que certaines d'entre elles pourraient n'avoir jamais été nommées dans l'arrêté en conseil en 1880, ou que certaines d'entre elles aient été rarement visitées par des Canadiens, suffisamment pour démontrer une occupation active, que cela représenterait-il? Qu'arrive-t-il s'il y a des failles dans nos titres touchant des régions si vastes et si complexes qu'est l'ensemble de l'archipel de l'Arctique? S'il y a des failles dans nos titres, je crois que deux ou trois autres principes viennent à notre rescousse. Dieu soit loué qu'il y ait une loi: elle peut toujours trouver une réponse à toutes les défaillances.

La première réponse est qu'il est possible mais non probable qu'il y ait une doctrine de continuité. Lorsque vous avez un groupement d'îles continguës à une masse de terre, il est probable que l'autorité qui occupe la côte ait quelque revendication sur ces îles.

Vous pouvez renverser la question. Si vous aviez un groupement d'îles réellement apparentées à la masse terrestre au point de vue

[*Texte*]

demonstrate either discovery or effective occupation of his own.

Therefore, absent somebody else's discovery or effective occupation, place the island system in a geological continuity with the northern land mass of North America called Canada and you have the basis of some kind of a claim. The jurisprudence on this, that is to the extent there have been international arbitrations in which the idea of continuity came up, is not terribly clear, but it is rational enough as an argument, it seems to me, that in a critical moment it could be reasonably constructive to put forward as a Canadian thought.

More important to fill the gaps is, of course, one of those classical inventions, partly Canadian, known as a sector theory which is very familiar, I am sure, to all of you. The sector theory is an accident of speech, as it were, a speech by Senator Poirier who gave an address in the Senate in 1909 in which he suggested, based upon a remark by a Captain Bernier that, after all, the proper attitude Canada should take to the Arctic system is to say that the whole of the Arctic Basin represents a great circular basin system with a series of coastal states—Denmark, U.S.S.R., the United States—and that in a way the very geography and geology of the area makes it logical that one treat all of the land extension's island systems as part of the coastal community and, therefore, it should be shared accordingly by the coastal communities that rim the whole basin.

So that the Arctic Basin belonged to the Basin states and you did that by simply taking the longitudinal lines from the extremities of Canada from the boundary of Alaska, the outer shores either of Newfoundland today or the outer shores of Baffin Island or Quebec, draw the line up to the North Pole and everything within that sector would therefore be automatically, on a sector theory basis, the piece of the Arctic pie belonging to Canada.

Now, one must ask the question: what is the legal basis for the sector theory? One cannot dream up a theory overnight and expect the international community to say "Yes, we will accept this. It has a certain logic; it has a certain aesthetic quality to it; a nice round basin, and by one of those good pieces of luck, Canada owns a very large strip of the pie. Good, we are all for the sector theory". Why should the Portuguese be for the sector theory? Why should the United

[*Interprétation*]

géologique, il est clair que celui qui domine la côte est en bien meilleure posture qu'un étranger, à moins que cet égranger puisse démontrer soit qu'il ait découvert ces îles ou qu'il les ait occupées activement.

Donc, à défaut de la découverte ou de l'occupation active par un autre, le groupe d'îles se trouve dans le prolongement géologique de la masse terrienne de l'Amérique du Nord qui s'appelle le Canada, et vous avez le fondement d'une forme de revendication. En pareil cas, la jurisprudence, dans la limite où il y a eu des arbitrages internationaux où la question de continuité a été mise en cause, n'est pas d'une clarté absolue, mais elle est suffisamment rationnelle comme argument. Il me semble qu'à un moment critique cet avancé serait raisonnablement constructif à l'appui de la cause canadienne.

Il est plus important, naturellement, pour combler ces vides, d'avoir recours à une de ces inventions classiques, partiellement canadiennes, connue sous le nom de théorie des secteurs que vous connaissez tous très bien, sans aucun doute. La théorie du secteur est un lapsus du sénateur Hector Poirier alors qu'il prononçait un discours devant le Sénat en 1909. S'appuyant sur une remarque faite par un capitaine Bernier, il proposait qu'après tout la bonne ligne de conduite que le Canada devrait adopter à l'égard du réseau Arctique, serait de dire que tout le bassin de l'Arctique représente un grand réseau circulaire comportant une série d'états côtiers, le Danemark, le Groenland, les États-Unis, et que par le simple jeu de la géographie et du relief de chaque région, on pourrait considérer tout ce territoire comme une partie de la collectivité côtière et devrait être envisagé de cette façon par chaque état côtier.

Autrement dit, la région du bassin appartient aux États compris dans le bassin. On tire une ligne longitudinale partant des limites de l'Alaska et se rendant jusqu'à la côte extérieure de Terre-Neuve ou du Québec ou de l'Île de Baffin et l'on rejoint le Pôle Nord et tout ce qui est dans ce secteur appartient au Canada.

Maintenant, il faut se demander quel est le fondement juridique de la théorie du secteur. On ne peut pas s'attendre à ce que tout le monde l'accepte volontiers. Elle présente une certaine logique, une certaine qualité esthétique n'est-ce pas. Et tout à fait par hasard, le Canada possède alors une bonne partie du bassin. Mais pourquoi les Portugais seraient-ils en faveur de cette théorie, pourquoi les États-Unis qui ont fait beaucoup d'exploration dans l'Arctique, mais qui n'en détiennent

[*Text*]

States, which did a lot of exploration in the Arctic but has a much smaller sector than Canada, be for the sector theory?

It is not, it seems to me, without significance that the two countries that have always looked with favour on the sector theory have been the U.S.S.R. and Canada. The impartiality of their judgment, in this case, it seems to me, might, by other states, be in some question.

Nevertheless, having said that, I do not want to ridicule the concept at all because the concept goes back a long way by inference.

In 1824-25, the British, who where then signing treaties with Soviet Russia when Czarist Russia occupied the Alaska area and the British were at the end of their exploration of the northern areas, coming into that middle

• 1030

period, their original 1824-25 treaties talked largely about the present line between Alaska and the Yukon.

And there is language in that 1824-25 treaty which says that the line shall extend into the frozen sea. Now you must ask yourself why the draftsmen in the 1824-25 period put that kind of language in a treaty if they did not have in mind a concept of some kind of jurisdiction going beyond the landmass into this peculiarly semi-solid area, the frozen sea, up here. Now you can say, of course, that the amount of geographic and oceanographic knowledge in that day was very modest and that if they knew as much about the icepack as we do today, if they knew as many things as we do today, they might have used other language. The point I want to make is that the notion of a sector has at least some colour of proper legal beginnings in this famous series of agreements of 1824-25 between the Russians and the British over the then Russian-Alaskan and the British-Canadian boundary. It seems to me one must give the phrase "a line extending northward into the frozen sea" some kind of weight, some kind of credibility.

Now the sector theory went on between 1909 and 1950 with various degrees on Canadian claims to it. Professor Head and Professor Pharand both quote in their articles references to debates in the House of Commons and in the Senate, in which ministers are being pressed about the sector theory. There was a reluctance on the part of Canada to be too dramatically positive about it because we were unsure as to how the rest of the world would react, particularly the United States which always had a certain reservation about the sector theory in view of the United States interest and the United States explorer tradition up here.

[*Interpretation*]

qu'une faible partie, seraient-ils en faveur de cette théorie?

Ce n'est pas sans raison que les deux pays en faveur de cette théorie sont la Russie et le Canada et l'objectivité de leur jugement en ce sens pourrait être mis en question n'est-ce pas? Ceci étant dit, je ne voudrais pas tourner en ridicule ce concept car il n'est pas nouveau.

En 1824-1825, les Britanniques qui signaient à l'époque des traités avec la Russie Soviétique, lorsque la Russie des tsars occupait l'Alaska et que les Britanniques terminaient l'exploration de cette partie Nord, parlaient largement dans leurs traités des années 1824-1825 de la ligne en question entre l'Alaska et le Yukon.

Et dans ce traité de 1824-1825, il était établi que cette ligne se prolongerait jusque dans la mer. Pourquoi rédiger ainsi ce traité, si on n'avait pas à l'esprit en 1824, une compétence territoriale qui s'étendrait au-delà de la masse terrestre jusque dans la banquise? On peut dire, bien sûr, que vu que les connaissances géographiques et océanographiques étaient limitées à cette époque, ils auraient peut-être rédigé le texte autrement s'ils avaient eu à leur portée la science d'aujourd'hui. Ce à quoi je veux en venir, c'est que la théorie des secteurs a eu des antécédents juridiques établis dans cette série d'accords, en 1824-1825, entre les Russes et les Britanniques au sujet du territoire qui est aujourd'hui l'Alaska et le Yukon. La «ligne qui se prolonge jusque dans la mer gelée» est un terme qui, a une certaine vraisemblance, un certain poids.

La théorie des secteurs a existé de 1909 à 1950; au Canada on l'a invoquée assez souvent. Le professeur Kead et le professeur Pharand citent dans leurs articles des débats de la Chambre des communes et du Sénat où l'on presse les ministres de questions au sujet de la théorie des secteurs. Le Canada hésitait à se montrer trop en faveur de cette théorie car on se demandait comment le reste du monde réagirait, et particulièrement les États-Unis, qui avaient toujours plus ou moins écarté la théorie des secteurs, vu leurs intérêts et la tradition des explorateurs dans cette région.

[*Texte*]

When the Department of Northern Affairs was established in 1950-51 Mr. St. Laurent in the speech introducing the bill made the very important point that Canada needed a department of northern affairs to look after in some orderly way all of its northern interests, and among the things he said that were significant for this morning's discussion was that Canada claims all the lands up to the North Pole—all of the Arctic lands.

So we had there a firm statement by the then government of the day and its head that we were in fact formally claiming all the lands—and though he does not in fact say we do it on the basis of a sector theory the contribution that his statement makes to the evolution of the validity of a sector theory seems to me to be quite significant. He gave a footnote to the sector theory, a very considerable legal force.

Now since that time of course no one has really ever disputed in any major way any Canadian title to any of the islands here. I think Professor Pharand, Professor Head and others who have written on the subject will show you in their references there is really no international dispute. There is a certain silence but no one has converted that silence into advantage. The United States has never said "Look, our explorer, Captain Cook, was here, Captain Peary was there, and therefore that that really belongs to us". They have never gone that distance and I think that is very significant. The silent acceptance by the United States and the active non-challenge by the rest of the world to the totality of the Canadian jurisdiction over the arctic archipelago is I think the most significant underwriting of our claim to title, in addition to the other reasons which I have given to you.

• 1035

There are at least two other reasons—I am going to conclude my remarks, Mr. Chairman—that justify our claims and which in my opinion do not really justify our claims to the islands but may go so far as justifying our claims to this very controversial question—the island waters themselves.

The first is the Norwegian Fisheries case of 1951 which went to the World Court. In the Norwegian Fisheries case the island system off the coast of Norway was for years a kind of shield to the Norwegian fishing packer. The island system averaged 20 and the Norwegian fiords perhaps between 5 to 40 miles out to the high seas. British and other fishermen came into the fiords and fished for years. The Norwegians passed a domestic law

[*Interprétation*]

Lorsque le ministère du Nord canadien a été établi en 1950-1951, M. St-Laurent, dans le discours qui présentait le Bill, a soulevé une question fort importante, soit que le Canada avait besoin d'un ministère du Nord pour administrer de façon ordonnée les territoires du Nord. Une des choses qu'il a dites entre d'autres qui pourraient nous intéresser ce matin, était que le Canada réclamait tous les territoires jusqu'au Pôle Nord, ainsi que tout le territoire arctique.

Par conséquent, il y a là une déclaration ferme du gouvernement de l'époque et de son chef, disant que le Canada réclamait officiellement tout le territoire. Bien que M. St-Laurent ne dise pas que ces réclamations se fondent sur la théorie des secteurs, il fait quand même une contribution importante à l'évolution de la validité de cette théorie. Cela donne à la théorie des secteurs une force juridique assez importante.

Depuis ce temps, personne n'a mis en question les titres du Canada dans les îles de l'Arctique. Je crois que le professeur Pharand, le professeur Kead et d'autres qui ont étudié la question disent qu'il n'y a pas de débat international à ce sujet. Il y a peut-être un certain silence mais personne n'a cherché à en profiter. Les États-Unis n'ont jamais tenté de réclamer ce territoire sous prétexte que leurs explorateurs y avaient séjourné; je pense à Cook et Peary. Les États-Unis n'ont jamais poussé si loin, et je crois que c'est important. L'acceptation passive par les États-Unis et l'absence de contestation du reste du monde de la compétence territoriale du Canada dans les îles de l'Arctique est très importante et appuie nos réclamations de ces terres.

Avant de terminer, monsieur le président, j'aimerais vous citer d'autres justifications de nos réclamations. Peut-être ne pouvons-nous pas revendiquer les îles, mais il est possible que nous puissions justement réclamer les eaux territoriales. Premièrement, il y a l'affaire des pêches de Norvège de 1951 qui a été portée devant la Cour internationale. Le réseau d'îles au large de la Norvège était une sorte de barrière pour les pêcheurs. En moyenne, l'archipel était à 20 milles de la côte et les fiords étaient de 5 à 40 milles de long. Les pêcheurs britanniques et autres venaient y pêcher depuis des années. Les Norvégiens ont adopté une loi interdisant à ces pêcheurs de venir dans ces eaux sans permission, disant qu'il ne s'agissait pas de la

[*Text*]

saying, in effect, "You cannot come into these fiords without our permission, that is not high seas but internal waters like Lake Superior, as far as we are concerned. "Oh", said the British, "I am sorry, we have been here fishing for a long time. Those are high seas, in some cases 40 miles out. How can you possibly claim these are your internal waters requiring your permission?"

Eventually the matter went to the World Court. The World Court laid down two or three very important doctrines which have since influenced the whole of the law of the sea in this area.

The first doctrine is that you can have a relationship between islands off a coast the geology and geography of which really make it necessary to regard those islands as part of the coastal system, and even if the islands are 40 to 50 miles away they are still part of the coastal system. So the archipelago relationship to a coast was spelled out in the Norwegian Fisheries case. Now of course you can abuse this in a variety of ways, but at least in this particular case it had a legitimacy that appealed I think to many states.

Secondly, the Norwegian Fisheries case went farther. The British said, "All right, if you are going to give all these islands to Norway, what is our position, where do the high seas start and end?" Let us assume this is the kind of problem you have in respect of a bunch of islands off our own west coast. The Court said, "Well, Norway is entitled to take the outermost rocks and shoals, some of them 45 miles off the mainland; draw a base line between them and that base-line shall be treated as the base from which you then measure territorial waters.

That is four miles seaward because they have a four-mile rule in Scandinavia whereas we have a three-mile rule in much of the western world. The Norwegian Fisheries court judgement therefore permitted Norway to draw base-lines from the outermost rocks and shoals, then draw a further four-miles beyond that, so that territorial waters could be as far from the Norwegian mainland as approximately 45 or 50 miles. Now imagine what this does to the rest of the world's thinking. It means therefore that you had two new ideas, one an archipelago system and its relationship to a post, and secondly you had the notion of drawing base-lines from whence you also drew territorial water distances, with all their effects on jurisdiction.

This particular series of ideas was debated in the UN for a number of years and eventually led to a report of the International Law

[*Interpretation*]

haute mer, mais bien de leurs eaux intérieures, comme pour nous le lac Supérieur. Les Britanniques ont rétorqué qu'ils soutenaient que ces eaux faisaient partie de la haute mer, que ces régions se situaient à 40 milles de la côte dans certains cas et que de toute façon ils y pêchaient depuis longtemps. Pourquoi les britanniques auraient-ils besoin de la permission de la Norvège? La question fut donc portée devant la Cour internationale, qui établit certains principes importants en matière de droit maritime.

Premièrement: si des îles sont apparentées géologiquement et géographiquement au littoral avoisinant, on doit les considérer comme en faisant partie, même si elles sont éloignées de 40 à 50 milles de la côte. Ainsi la Cour a-t-elle établi la relation qui existe entre la côte et les archipels avoisinants. On peut évidemment abuser de cette décision, mais je crois qu'en général on a vu la légitimité de la chose et que bien des pays ont accepté le jugement.

Deuxièmement, cette affaire des pêches de Norvège est allée plus loin. Les Britanniques ont dit que si on donnait toutes ces îles à la Norvège, il fallait qu'on fixe le point où commence la haute mer. Supposons qu'il s'agisse de ce type de difficulté dans notre cas, en ce qui concerne ces îles de notre côte occidentale. Le tribunal a jugé que la Norvège avait droit aux récifs et petites îles qui se trouvaient au large, soit à 45 milles de la terre ferme. Ceci décidé, on tire une ligne entre ces îles et cette ligne servira de base pour mesurer les eaux territoriales.

Il s'agit donc de quatre milles sur la mer, puisque la Norvège réclame cette distance tandis que les autres pays occidentaux ne réclament que trois milles. La décision du tribunal en cette affaire des pêches de Norvège a permis à ce pays de fixer la limite en question entre les récifs les plus éloignés de la côte, puis de réclamer quatre milles de plus, ce qui donne à la Norvège des eaux territoriales qui s'étendent jusqu'à 45 ou 50 milles au large de la côte norvégienne. Pensez ce que cela peut signifier pour le reste du monde. Il s'agit donc de deux concepts nouveaux: d'abord la relation entre un réseau d'archipels et la côte, et puis le concept de la ligne de base à partir de laquelle on mesure l'étendue des eaux territoriales, avec tous les effets que ces distances ont sur la compétence territoriale.

Le débat à ce sujet a duré longtemps aux Nations Unies, et on a finalement présenté un rapport de la Commission du droit internatio-

[*Texte*]

Commission in 1956 and eventually to the Geneva conferences on the High Seas and Territorial Waters in 1958 and again in 1960. Out of all of this has come a series of very important conventions. These conventions crystalize the two rules I have referred to. They impart the archipelago rule, and secondly the base-line rule as described. The conventions did not agree on the breadth of the territorial sea that was a great empty hole in the 1958 and 1960 conferences. Today we really do not know what would be the effect of trying to get agreement on the breadth of the territorial sea. Everyone seems to agree on 12 miles, at least for fishing zones, but not everyone agrees on 12 miles for pure sovereignty as such.

Now when you add to that that the same series of conventions dealt with the continental shelf which I referred to, and you put all this together with the sector theory, it seems to me that you have a complex series of ideas which would encourage I think a cautious man to say that one would not readily deny the assertion of Canadian authority over this water system. Now it is true that you might not be able to get base-lines which really from one side to the other are able to cover the whole of some of these particular strait systems.

• 1040

Some of them are 50, 60 or 100 miles wide and it would be foolish to pretend that you could without a lot of hanky panky, and certainly no Canadian ever thinks in these terms. You also, it seems to me, are faced with the fact that there are areas here of wide use by other countries, consequently you cannot easily assert that the Norwegian Fisheries case gives you in its baseline theories very much help for the internal water system.

But if you add together the archipelago theory and the sector theory, I think that the Canadian case for total control over the water system between the islands is not unpersuasive. If you take the sector theory by itself you might have many people say, "Listen, the sector theory we have been quiet about for 50 years." But these die-hards have never been too happy about it. You might open the door to a challenge on the sector theory if it were the sole basis for the Canadian claim to these waters. But when you add to the sector theory the notion that the whole of the Arctic island system is a common archipelago, and as a common archipelago it is within the sovereign jurisdiction of Canada for all the reasons I have given, and you take the Norwegian Fisheries judgment as further wrapping up of the doctrinal issue, I think

[*Interprétation*]

nal en 1956. Plus tard, il y a eu la conférence de Genève sur la haute mer, en 1958 puis en 1960. De tout ceci a découlé un certain nombre d'importantes conventions. Ces conventions ont fixé les deux règles que j'ai mentionnées, soit la règle des archipels et la règle de la ligne de base. Les conventions n'ont pas fixé la largeur des mers territoriales, et c'est la grande lacune qu'ont laissée la conférence de 1958 et celle de 1960. A l'époque actuelle, nous ne pouvons savoir quel serait l'effet de tenter d'établir une convention concernant ces mers territoriales. Tous les pays semblent favoriser douze milles comme étendue de pêche réservée, mais tous ne sont pas d'accord pour fixer à douze milles l'étendue de la souveraineté d'un pays sur la mer.

Si on ajoute à tout cela les conventions concernant le plateau continental que j'ai mentionnées, et qu'on y ajoute aussi la théorie des secteurs, on obtient une série de concepts assez compliqués; un homme averti n'oserait pas contester la compétence territoriale du Canada en ce qui concerne les eaux en question. Il n'est peut-être pas possible d'établir des lignes de base qui nous permettraient de réclamer en entier ces détroits, c'est vrai.

Certains de ces bras de mer ont de 50 à 100 milles de large et il serait insensé de les réclamer; quel Canadien le penserait? Il faut aussi tenir compte, à mon sens, du fait que ces eaux sont utilisées activement par d'autres pays, et donc que la décision prise à la suite de l'affaire des pêches de Norvège, ne pourrait pas s'appliquer à ces eaux intérieures, sans complications.

Mais si on ajoute la théorie des archipels à la théorie des secteurs, je pense que la cause du Canada pour le contrôle complet sur les voies de navigation entre les îles est très convaincante. Je pense que si on ne considère que la théorie des secteurs, certaines personnes diront «on n'a pas parlé de la théorie des secteurs depuis 50 ans». Mais ces durs à cuire n'en ont jamais été très heureux. Si la théorie des secteurs était la seule base sur laquelle le Canada se fonde pour ses réclamations territoriales, on se trouverait à ouvrir la porte au défi. Mais quand on ajoute à la théorie des secteurs, la notion selon laquelle l'ensemble ds îles de l'Arctique constituent un seul archipel auquel s'étend la souveraineté canadienne pour toutes les raisons que j'ai données, je crois que la décision rendue à l'endroit des pêches en Norvège appuie encore

[*Text*]

you treat this as the Norwegian Fisheries case treated the Norwegian coast where all the waters between the fjords are now treated as inland Norwegian waters and not high seas. Therefore, subject to innocent passage, of course, subject to rights of passage through straits, one could make, I think, a reasonable case for the inland waters character of the waters of the archipelago.

But do you need to really push the argument that far? If our chief controversy today is how we suitably control the exploitation of the sea bed and subsoil of the Arctic basin, if that is the chief problem, if it is not freedom of navigation we are worrying about, we can let the world have freedom of navigation. If the chief Canadian concern is the exploitation of the sea bed and subsoil, and if our geologists are correct in saying that the total archipelago is a shelf, a shelf extending from the mainland of northern Canada, then the Continental Shelf theory may give us jurisdiction without raising that very difficult controversial question of absolute internal water status of the waters themselves; so that we may be rescued by the Continental Shelf doctrine. If, however, we find our geologists are wrong and there are problems which I do not foresee and others have not foreseen about the legal issues of the shelf, then we can go back to the validity of giving our archipelago a status similar to the Norwegian archipelago.

One word of caution here. I have brought two maps for you to look at to show the dangers of pushing this too far. There is the Indian archipelago—Sumatra, Java and Barnes. There is the West Indian archipelago, everywhere from Cuba, Puerto Rico, the Anglo-Caribbean areas and so on. If you push the island system theory too far, you get what President Sukarno tried to do in Indonesia when he said that all the waters between Sumatra and Borneo are Indonesian waters because they are part of an island system. These were enormous high seas. Joseph Conrad dramatized the openness of them 60-70 years ago.

Imagine areas something of the order of 500 to 1,000 miles apart being regarded as inland seas. The absurdity of it begins to appear when you look at the navigation and sovereignty implications of what you are talking about, but you can see what President Sukarno was talking about, because if you really take this as an integrated system, if

[*Interpretation*]

davantage notre position juridique. Je crois qu'on peut considérer notre cause de la même façon que les pêches de la Norvège en ont décidé de la côte norvégienne ou toutes les eaux des fiords sont maintenant considérées comme des eaux intérieures et non plus comme la haute mer. Par conséquent, à condition d'accorder le droit de passage dans les détroits, évidemment, le Canada est, je crois, bien fondé pour insister sur le caractère territorial des eaux de l'archipel.

Mais est-il nécessaire de pousser l'argument aussi loin? Si la controverse principale à l'heure actuelle porte surtout sur le contrôle de l'exploitation du fond sous-marin et du sous-sol du bassin de l'arctique, si c'est là le principal problème, ce n'est plus de la liberté de navigation qui s'inquiète et on peut laisser la liberté de navigation au monde entier. Si le Canada s'inquiète avant tout de l'exploitation des fonds sous-marins et du sous-sol, et si les géologues ont raison de dire que l'ensemble de l'archipel est un plateau continental qui s'étend depuis la terre ferme du nord du Canada, cette théorie du plateau continental peut nous donner juridiction sur ces territoires sans soulever cette question controversée du statut absolument territorial des eaux. La théorie du plateau continental est peut-être donc la réponse à notre problème. Si, toutefois, nous constatons que nos géologues ont tort, et il y a des problèmes que je n'ai pas entrevus et que nous n'avons pas entrevus au sujet des aspects juridiques qu'entraîne la théorie du plateau continental, nous pourrons alors retourner à la validité de donner à notre archipel un statut semblable à celui dont jouit l'archipel de la Norvège.

Une mise en garde ici toutefois. J'ai apporté deux cartes pour vous montrer les risques que l'on court si on pousse cette théorie trop loin. Voici l'archipel indonésien, Sumatra, Java, et Bornéo, puis l'archipel des Antilles, Cuba, Porto Rico, les Antilles britanniques, et ainsi de suite. Si on pousse la théorie du réseau d'îles trop loin, nous arriverons au même problème que le Président Sukarno a soulevé en Indonésie lorsqu'il a réclamé pour l'Indonésie toutes les eaux entre Bornéo et Sumatra parce qu'elles font partie du réseau d'îles. Il s'agit nettement de la haute mer. Joseph Conrad a décrit leur ampleur il y a 60 ou 70 ans.

Imaginez, par exemple, des territoires distancés de 500 milles ou de 1,000 milles qu'on considérait comme partie d'une mer intérieure. On en mesure l'absurdité lorsqu'on constate les implications de navigation et de juridiction que cela comporte. Mais on voit ce à quoi songe le Président Sukarno, car si vous considérez que ces territoires font partie

[*Texte*]

this is an integrated land system, then why not the waters between the land? Why should they not have some jural status, some legal elements which are borrowed from the legal unity of the land in a common sovereignty?

Similarly over here in the West Indies Federation. Of course had the West Indies Federation survived there might have been a school of thought to say that the water between Trinidad and Barbados and Jamaica—all the five or six principal members of the West Indies Federation which, regrettably, did not survive—represents a common water system and therefore it withdraws from its status as high seas, just as the great oceans here are withdrawn from high seas under the Sukarno doctrine for Indonesia.

• 1045

This never panned out, of course, because the West Indies Federation failed. This has not been pushed any further because the international community simply would not tolerate it and, of course, a very demanding regime was displaced by one of greater moderation in recent years.

If Canada as a respectable member of the international community is too anxious to impose an island system, whether it is an archipelago theory relating to the land mass, whether it is any one of the other theories, you may be giving aid and comfort to much more extreme positions which then interfere with the legitimate Canadian interests in the high seas elsewhere; the legitimate Canadian interests and of the whole of the international community to keep the seas open and free for navigation and scientific and resource purposes.

One has to move in this area with a certain amount of wisdom and caution. This is what may be called boomerang law. You may assert a doctrine for yourself in one area, only to discover it comes back and strikes you in quite a different spot in another area.

Gentlemen, I think I have said enough about this. I would close by thanking you. I have certain theories of how one might in the next generation work out our relations with the U.S.S.R. and the U.S.A. in the Arctic basin. I think the time is ripe for a major conference on the future of the Arctic basin.

I think, though, it is foundamentally different than Antarctica. We ought to be able to make use of the extraordinary fact that we not only are the neighbours of the two most powerful states in the world—the U.S.S.R. to our north and the U.S.A. to our south—with all of the geo-political implications, but the

[*Interprétation*]

d'un réseau intégré, qu'ils font partie d'un archipel, pourquoi alors les eaux entre ces îles ne sont-elles pas sous sa juridiction? Lorsqu'il s'agit du statut juridique, certains éléments juridiques empruntés à l'unité juridique du territoire souverain. Donc, si la Fédération des Antilles avait survécu, une école de pensée aurait peut-être réclamé que les eaux entre Trinidad, la Barbade et la Jamaïque, les cinq ou six îles principales de la Fédération, qui malheureusement n'a pas survécu, représentent un seul réseau d'eaux territoriales et perdent donc leur statut de haute mer, tout comme les grands océans sont arrachés à la haute mer selon la théorie de Sukarno relative à l'Indonésie.

Cela ne s'est pas réalisé évidemment parce que la Fédération des Antilles n'a pas survécu. On n'a pas insisté davantage parce que tout le monde ne l'aurait pas toléré et, de toutes façons, ce régime très agressif a été remplacé par un régime plus modéré depuis quelques années.

Si le Canada en tant que membre respectable de la collectivité mondiale est trop empressé d'imposer un réseau d'îles, que ce soit une théorie de l'archipel rattachée aux continents, ou que se soit une des autres théories, il se peut que vous vous trouviez à encourager des attitudes beaucoup plus extrêmes qui pourront alors nuire aux intérêts légitimes des Canadiens en haute mer dans d'autres parties du monde. Les intérêts légitimes des Canadiens et de toute la collectivité mondiale sont d'assurer le libre usage des mers pour des fins de navigation, de recherches et d'exploitation.

Il faut donc procéder avec sagesse et prudence. C'est ce qu'on pourrait appeler une loi boomerang, on affirme une doctrine en notre faveur dans un secteur pour découvrir ensuite qu'elle rebondit et nous frappe d'une tout autre façon dans un autre secteur.

Je pense que j'en ai assez dit à ce sujet. Et je vais maintenant vous remercier. J'ai certaines théories quant à la façon d'organiser nos relations avec la Russie et les États-Unis dans le bassin de l'Arctique au cours de la prochaine génération. Je pense que le temps est mûr pour préparer une grande conférence sur l'avenir du bassin.

Je pense, toutefois, qu'elle est essentiellement différente de l'antarctique. Il faudrait pouvoir nous servir du fait extraordinaire que non seulement nous sommes les voisins des deux plus grandes puissances du monde, la Russie au nord et les États-Unis au sud, avec toutes les implications géo-politiques que

[*Text*]

three of us are the three principal members sharing the Arctic basin with all of its scientific, all of its resource implications. Though there is a great deal of co-operation, of course, between the U.S.A. and Canada—an enormous amount of co-operation—not to have an increasing scientific co-operation between Canada and the U.S.S.R. as I understand it, I would think the time is very soon at hand for a major conference on the common problems of the Arctic basin sponsored by the three principal powers, but shared in by Denmark and the others concerned as well, with all of the benefits that must ensue for all the member states. Such a conference could do our legal position no harm and it would do ourselves and mankind, I suspect, very much good.

The Chairman: Thank you very much, Dean Cohen, for a most interesting and illuminating address. I have on my list of questioners Mr. Simpson, Mr. St. Pierre, Mr. Allmand.

Dean Cohen: I should apologize, I suppose, for speaking so long. I suffer from what is called classroom syndrome, and I have not really overcome it.

Mr. Simpson: Dean Cohen, I certainly want to say that I appreciate very much the talk that you have given us today. I know it is going to be very helpful to the Committee and I am sure all members join with me in saying that.

In your opinion, is our mapping of the Arctic as we know it today quite accurate? Is it good? Are there any other islands up there in this particular territory that are not on the map? I see towards the eastern part of the icecap it is void of islands. I am interested to know if there are other islands in there, particularly north of Alaska, too?

Dean Cohen: You are thinking of the Beaufort Sea area.

Mr. Simpson: The Beaufort Sea area.

Dean Cohen: I really do not think I am competent to answer that at all. I just take the maps as I find them. I talk to people who are professionals in the field. I just have no competence. It would strike me as unlikely that modern Canadian or international cartography would not be exploiting the best knowledge they have. Whether they have missed an itsy bitsy island or two that somebody is occupying I just do not know.

[*Interpretation*]

cela comporte mais que ces trois États sont les trois principaux pays qui partagent le bassin arctique avec toutes ses implications scientifiques et ses ressources. Bien qu'il y ait beaucoup de coopération évidemment entre les États-Unis et le Canada, énormément de coopération, il faudrait accroître la coopération scientifique entre le Canada et la Russie. Je pense que le temps vient où il faudra organiser une grande conférence sur les problèmes communs du bassin arctique parrainée par les trois principaux pays, mais partagée avec le Danemark et les autres pays intéressés également avec tous les avantages que les pays membres pourraient en tirer. Une telle conférence ne nuirait aucunement à notre position juridique et nous permettrait, ainsi qu'à l'humanité d'obtenir des avantages très considérables.

Le président: Merci beaucoup, monsieur Cohen, pour votre exposé extrêmement intéressant et instructif. J'ai sur ma liste, MM. Simpson, St-Pierre, et Allmand.

M. Cohen: Je devrais m'excuser, d'avoir parlé si longtemps, mais je souffre évidemment de ce qu'on appelle le syndrome du professeur et c'est inguérissable.

M. Simpson: M. Cohen nous a certainement dit des choses extrêmement intéressantes. Sa conférence a été très utile pour le comité, et je pense que tous se joignent à moi pour le dire.

A votre avis, est-ce que nos cartes de l'Arctique, telle que nous la connaissons à l'heure actuelle, sont exactes? Est-ce qu'elles sont bonnes? Est-ce qu'il y a d'autres îles au nord dans ce territoire qui ne sont pas sur cette carte? Je vois qu'à l'est de la banquise polaire il n'y a pas d'îles. Je me demande s'il y a d'autres îles dans cette région et notamment au nord de l'Alaska également?

M. Cohen: Vous parlez de la région de la mer de Beaufort.

M. Simpson: La région de la mer de Beaufort.

M. Cohen: Je ne suis pas en mesure de vous répondre. Je prends les cartes telles qu'elles me sont présentées. Je parle aux spécialistes dans ce domaine. Je n'ai aucune compétence en la matière. Il me semble peu probable que les cartographes canadiens ou internationaux ne se servent pas de meilleures connaissances dont ils disposent à l'heure actuelle.

[*Texte*]

• 1050

I would be very much surprised if much has been missed in view of the amount of transpolar flying in the last 25 years, but you may be right. I just do not know.

Mr. Simpson: I do not know either. I am not asking because of any other maps I have seen. I am just wondering if the map as it is is generally accepted by people in your . . .

Dean Cohen: I would say this. Nothing that I have read in the legal literature or the political literature in this field makes me believe that there is any international debate over the accuracy of maps. I have never seen an American article which challenged a Canadian article on the quality of the maps or vice versa.

This gives me some confidence that there is a certain international standard of correctness about mapping, about cartography, that on the whole most people accept, roughly.

Mr. Simpson: Thank you. I know that there are many questions members want to ask, so I will be very brief. Dean Cohen, you were mentioning that the time is ripe, in your opinion, to have discussions with these other nations. In your opinion, would you say that the time is ripe for Canada to give any consideration whatsoever to making a deal with the United States, as it might be advantageous militarily at some time, of one of the small Arctic islands northeast of Melville Island for the Alaska Panhandle?

Dean Cohen: I would rather not get involved with what may be called my theory of games here, because there may be others who play these games much better than I do. I am inclined to think, frankly, that generally in the Arctic the position we should take is "This belongs to us". The idea of making deals concerning any part of the land mass seems to me somewhat impractical and raises all sorts of negotiating headaches. I know the Panhandle remains a very substantial, unsolved problem. It is in some respects a very artificial indentation into the sovereignty of Canada. There are many who regard that 1905 judgment on the Alaska boundary dispute as having been less than satisfactory. But as to whether one could make a trade-off, I would want to reserve my opinion.

Mr. Simpson: I appreciate that. I really should have put the question another way. What I was actually trying to get at was, do you know if there have ever been any discussions about this?

[*Interprétation*]

Je ne sais pas s'ils ont omis d'indiquer une petite île ou deux que quelqu'un d'autre occupe. Ce serait très surprenant vu le nombre de vols transpolaires qu'il y a eu là au cours des 25 dernières années, mais vous avez peut-être raison. Je ne le sais pas.

M. Simpson: Je ne le sais pas davantage. Je ne vous le demande pas parce que j'ai vu d'autres cartes. Je me demande simplement si les cartes que nous avons sont acceptées d'une façon générale par les spécialistes de votre. .

M. Cohen: Non, je n'ai rien lu dans les publications politiques ou juridiques dans ce domaine qui me porterait à croire qu'on met en cause l'exactitude des cartes. Je n'ai jamais lu d'article dans les publications américaines qui met en doute un article d'une publication canadienne quant à la qualité des cartes et vice versa. Je suis donc confiant qu'il y a certaines normes internationales de cartographie que la plupart des gens acceptent d'une façon générale.

M. Simpson: Merci. Je sais que les députés ont bien des questions à poser et je serai très bref.

Vous avez mentionné, monsieur Cohen, que le temps est venu d'avoir une discussion avec les autres pays riverains du bassin arctique. Et à votre avis, diriez-vous que le temps est venu à l'heure actuelle, pour que le Canada songe d'une façon ou d'une autre, à conclure une entente avec les États-Unnis, parfois de caractère militaire, en ce qui touche les petites îles arctiques au nord-est de l'île Melville, dans la péninsule de l'Alaska . .

M. Cohen: Je ne voudrais pas qu'on me mette en cause au sujet de ma théorie personnelle ici. Je serais porté à dire que, d'une façon franche, que dans la question de l'Arctique, nous devrions tout simplement le revendiquer et que cette idée de conclure des ententes au sujet d'une partie quelconque du plateau continental nous poserait des problèmes considérables. Je pense que le problème de l'archipel de l'Alaska est un problème qui n'est pas encore réglé et que, à bien des égards, ceci porte atteinte à la souveraineté du Canada. On considère que le jugement de 1905 concernant la frontière de l'Alaska a été plus qu'insatisfaisant pour le Canada. A savoir si nous pourrions faire un échange de terres, il s'agit-là d'une autre affaire.

M. Simpson: Ce que j'essayais de vous demander, c'est s'il y a eu des discussions à ce sujet?

[*Text*]

Dean Cohen: I do not know, no.

Mr. Simpson: I say it because there have been discussions, and I have been in a very small way in the area where these discussions took place, that the United States were interested in certain land trades not in relation to the Alaska Panhandle, but they wanted some territory in Canada, and of course there is the thought that trade could be made.

Dean Cohen: No, I have never heard of this.

The Chairman: Supplementary from Mr. Gundlock.

Mr. Gundlock: A supplementary, Mr. Chairman. I am rather intrigued as a matter of fact by what you described earlier as peaceful passage. Supplementary to what Mr. Simpson has just asked, it is only 80 miles from Whitehorse to the open sea and, not talking about a land trade at all, but even a corridor—a peaceful passage; would there be some ground for consideration of that?

Dean Cohen: We have exactly that in one of our very old treaties with the United States in the matter of the Maine boundary. We have a kind of servitude which allows us to have railway rights that take us over the northern part of Maine so as to cut off a very long detour between Montreal and Saint John, New Brunswick. This is the kind of thing you are talking about here.

• 1055

Mr. Gundlock: Yes.

Dean Cohen: There is a very funny story about the Alaska boundary dispute: if you look at the Alaska boundary dispute award you get a feeling that the actual description of the way in which the boundary was to run shows rather cursory knowledge on the part of the tribunal. They took a series of ridges and ran the line along those ridges, much as they did, I may say, in the Labrador boundary dispute—very crudely drawn areas. What was known at that time was that the inlets west of those ridges were heavily frozen for most of the year and there was very little transportation even though the line may have crossed some inlets that went into the Canadian side.

I am told by students of the geology of the area that there has been a warming up and many of these inlets which now cross the line are open for large parts of the year, that there is now a Canadian interest in being able

[*Interpretation*]

M. Cohen: Non.

M. Simpson: Je vous pose cette question parce qu'il y a eu des discussions très restreintes, si l'on veut. Les États-Unis étaient intéressés à échanger des territoires, si l'on veut, non pas en ce qui concerne la péninsule d'Alaska, mais ils désiraient obtenir certains territoires au Canada et évidemment. . .

M. Cohen: En tout cas, je n'ai jamais entendu parler de cela.

Le président: Une question supplémentaire de M. Gundlock.

M. Gundlock: Monsieur le président, je voudrais poser une question supplémentaire. Je suis surpris par ce que vous avez décrit plus tôt comme une espèce de passage pacifique et M. Simpson vient de vous en parler un peu. Il n'y a que 80 milles entre Whitehorse et la haute mer. Et je ne parle pas simplement du tout d'un échange de terrain. Je parle d'un corridor. Il pourrait y avoir un passage pacifique, si l'on veut. Est-ce qu'il serait possible qu'il y ait certaines raisons qui nous permettraient de considérer une telle éventualité?

M. Cohen: Nous avons précisément ceci dans un de nos vieux traités avec les États-Unis. Au sujet des frontières, nous avons une espèce de servitude qui nous permet d'obtenir des droits de passage vis-à-vis d'un chemin de fer dans la partie nord du Maine, autrement il faudrait faire un long détour entre Montréal et Saint-Jean (N.-B.). C'est ce dont vous parlez actuellement.

M. Gundlock: C'est ça.

M. Cohen: Il y a une drôle d'histoire au sujet de la frontière de l'Alaska. On a l'impression, si l'on regarde le jugement de la cour, que la description de la façon de tracer la frontière à l'époque, montrait qu'on a tracé une ligne le long de la crête d'une chaîne de montagnes, comme on l'a fait au Labrador, par exemple, ce qui démontre une connaissance très sommaire des faits par le tribunal. A ce moment-là, les baies à l'ouest des crêtes étaient gelées la majeure partie de l'année, ce qui restreignait la navigation à un minimum.

Les géologues m'ont dit que la température s'est réchauffée, et que plusieurs de ces baies qui traversent la frontière sont libres de glaces presque à l'année longue de sorte que maintenant l'intérêt du Canada à avoir un

[*Texte*]

to have ready access to the open sea, and that the line which may have had some kind of crude sense in 1905 has far less sense in 1969. I have never fully explored the geological and navigational ramifications of this, but it is partly related to your question because I am sure that the people of Whitehorse wonder about easy access to the sea, and it involves equally people of the northern part of British Columbia.

Mr. Gundlock: It would save a thousand miles overland.

The Chairman: Mr. St. Pierre.

Mr. St. Pierre: Thank you, Mr. Chairman. Dean Cohen, I would like first to go back in history a little bit on the question of Arctic land sovereignty. My first questions relate to three nations which have in the past challenged it in greater or lesser degree. You spoke of silence on some matters and there is a silence I want to ask you about. The Norwegian dispute in regard to the Axel Heiberg group was settled in 1926. However, I refer to two other disputes. The Danes at one period insisted that northern Ellesmere was no-man's-land; they did not claim it for themselves, I understand, but neither did they accept our sovereignty. The last exchange between the Canadian and Danish governments was, I believe, in 1930, when there was a statement by the Canadian government the Ellesmere was entirely Canadian and there was no answer from the Danish government.

The other claims were the American claims to sections of the interior of Ellesmere Island and part of King William Land. These territorial claims in whatever degree they existed—my source is the Canadian Historical Review—extended back into the last century and the early years of this century.

Dean Cohen: Is that Johnson's paper.

Mr. St. Pierre: Yes. Basically, I wanted to question you about the silence which has existed on these claims since. Are any possible rights of these two nations effectively extinguished by all the other factors you have mentioned?

Dean Cohen: That is hard to answer.

Mr. Kaplan: A point of order, Mr. Chairman. Do you think it would be possible to adjourn until 2 o'cock?

The Chairman: If it is possible from the point of view of the witnesses, I am prepared to continue this meeting as long as they are prepared to stay.

[*Interprétation*]

accès direct à la mer se réveille. Et ces frontières d'autrefois qui avaient un sens en 1905 en ont bien moins en 1969. Et je n'ai jamais vraiment étudié à fond l'aspect géologique ou la navigation mais ceci se rattache à votre question parce que les gens de Whitehorse, comme les gens du nord de la Colombie-Britannique, cherchent à avoir un accès facile à la mer.

M. Gundlock: Ce qui voudrait dire une économie de mille milles sur le parcours terrestre.

Le président: M. St-Pierre.

M. St-Pierre: Monsieur Cohen, je voudrais tout d'abord revenir sur la question de la souveraineté sur les îles de l'Arctique. Ma première question se rattache aux trois pays qui, dans le passé, ont revendiqué ces îles. Vous avez parlé d'une politique de silence et dans la dispute, ou le différend norvégien concernant l'archipel Axel Heiberg qui a été réglé en 1926. Les Danois, eux aussi ont insisté à un moment donné que le nord de l'île d'Ellesmere devait être considéré comme un no-man's-land. Les Danois n'ont pas revendiqué ces terres, mais ils n'ont pas accepté notre souveraineté. Et le dernier différend, si l'on veut, entre le gouvernement canadien et le gouvernement danois date de 1930. Il y a eu une déclaration du gouvernement canadien dans laquelle il était dit que l'île d'Ellesmere appartenait entièrement au Canada et le gouvernement danois n'a pas répondu à cette affirmation.

Ensuite, les Américains ont réclamé des droits sur l'intérieur de l'Île d'Ellesmere ainsi que sur l'Île du Roi-Guillaume et ces réclamations territoriales, quelle qu'en soit l'importance, si j'en crois le *Canada Historical Review*, remontent au siècle dernier et au début de celui-ci.

M. Cohen: Il s'agit des documents Johnson?

M. St-Pierre: C'est ça. Je voudrais vous poser une question au sujet de cette politique de silence de la part des autres gouvernements dont vous avez parlé. Serait-il possible que ces deux pays n'aient plus de droits étant donnés les autres facteurs que vous avez mentionnés et les autres théories que vous avez proposées?

M. Cohen: C'est très difficile à répondre.

M. Kaplan: J'en appelle au règlement, monsieur le président. Serait-il possible d'ajourner jusqu'à 2 heures cet après-midi?

Le président: Je pense que cela est possible. Évidemment, je suis disposé à poursuivre cette réunion dans la mesure où les témoins seront prêts à rester ici.

[*Text*]

Dean Cohen: Because I have other duties and you may want to have a serious discussion about some of these issues, and yours is a fascinating question to me, because I was a reviewer of Johnson's manuscript when I was a Ph.D. student and know a little about his theory, would it be satisfactory, Mr. Chairman, if we arranged another date to come back and discuss things? Otherwise I get the feeling we are in a bit of a rush and that some people still have some things they want to say. Secondly, if this is going to be in your proceedings, it would give people a chance to look at some of the material, and perhaps at some of the references, and see how wrong I can be in a good debate. I would be prepared, subject to your views, to come back at some convenient date when all members feel that they would like to take another hour or so.

• 1100

The Chairman: Would next Tuesday suit you?

Mr. Kaplan: Mr. Chairman. I think Mr. St. Pierre ought to be permitted to conclude his line of questioning.

Mr. St. Pierre: My line of questioning probably will last for 20 minutes, Mr. Chairman.

The Chairman: Gentlemen, are you prepared to allow the Committee to sit for another hour or so? Agreed?

Mr. Gundlock: I think, Mr. Chairman, the witness made a very good suggestion, that we think this over a little and come back again.

The Chairman: I have no quarrel with that, Mr. Gundlock, at all. I think that we should at least start our questioning today. I do not think we can through within an hour. I feel that we should allow some questioning if Committee members agree. Do we have agreement that we will sit for a while longer? Agreed? Agreed.

Dean Cohen: I really do not know enough, except that gained from some very superficial reading, Mr. St. Pierre, about the deep origins of the Axel Heiberg dispute, nor have I read fully the documentation concerning the prolonged correspondence between Canada and the U.S. over Ellesmere.

There is some of this material in the new edition of the American Digest of Internal Law put out by the State Department and perhaps I will check that before I come back just to make sure that I see what the United States point of view is. I have a feeling, however, and I am sure it must be shared by my colleagues in this room, that if there were a real international challenge to Canadian sovereignty either over Ellesmere Island or

[*Interpretation*]

M. Cohen: J'ai beaucoup d'autres tâches à accomplir. Vous avez une question très intéressante et je suis sûr que vous aimeriez avoir une discussion sérieuse à ce sujet. J'aimerais revenir là-dessus car j'ai étudié les documents Johnson lorsque j'étais étudiant. Est-ce que, monsieur le président, nous pourrions nous rencontrer un autre jour pour discuter de ceci? Autrement, j'ai l'impression que nous serions un peu bousculés et que certains membres voudraient poser des questions. Si ceci doit être conforme à vos délibérations, il faudrait peut-être étudier la documentation et les références que j'ai mentionnées et nous pourrions avoir alors un bon départ. Je suis disposé à revenir à une date qui vous conviendra lorsque tous les membres voudront avoir une autre heure de discussion.

Le président: Est-ce mardi prochain vous irait?

M. Kaplan: Monsieur le président, j'estime que M. Saint-Pierre devrait continuer peut-être sa question.

M. St-Pierre: Je pourrais en avoir pour une vingtaine de minutes, monsieur le président.

Le président: Messieurs, je suis disposé à ce que nous siégions encore une autre heure, mais est-ce que le Comité est d'accord?

M. Gundlock: Monsieur le président, je pense que le témoin a une très bonne idée, que nous pourrions revenir sur cette question.

Le président: Non, cela m'irait, à moi. Je suis d'accord, mais pourvu que nous commencions nos questions aujourd'hui et pourrions terminer dans une heure. Et nous devrions permettre un certain nombre de questions si les membres du Comité sont d'accord. Est-ce que nous avons l'accord là-dessus?

Adopté.

M. Cohen: Je ne suis pas trop au courant de cette question, monsieur St-Pierre, sauf pour ce qui est du différent de l'archipel Axel Heiberg.

Je n'ai pas approfondi la documentation concernant les échanges de lettres avec les États-Unis au sujet de l'Île d'Ellesmere.

On trouvera un peu de cette documentation dans le *American Digest of International Law* publié par le Secrétaire d'État américain. Je le vérifierai afin de connaître le point de vue des États-Unis. J'ai l'impression, et je suis assuré que mes collègues ici présents partagent cette impression, que si la souveraineté canadienne a été mise en doute, dans le passé, au sujet de l'île Ellesmere ou de l'île Osel Heiberg, nous en serions tous responsa-

[*Texte*]

over Axel Heiberg Island in any part of the past generation, we would be all parties to it. You know, the doctrine of silence in law is a very important doctrine. By your very silence you tacitly accept the claims of others if a sufficient amount of time passes by so as to suggest that a reasonable man, if he had a counter-claim, would have made that claim. My feeling is that that is the position today.

Mr. St. Pierre: Thank you. I would like to jump from the past into the future in my next question.

We recently had before this Committee Dr. Carr, the author of the Carr Report on the Yukon. I put a couple of questions to him which perhaps I could take a moment to read to you.

> I would like to question Dr. Carr about one matter which he raised; that is the question of Arctic sovereignty. I judged from his remarks that he has some doubt that we have sufficiently established our sovereignty in the Arctic.
>
> **Dr. Carr:** No. There are questions, as you are aware, involved in actions such as this S.S. Manhattan project. There are considerations there. No, I do not think so.

Then, further on he qualified this slightly. Perhaps I had better read all his remarks because I am interested in the qualification of his statement.

> **Dr. Carr:** I think we just simply have to keep moving in the direction of ensuring our sovereignty. I did not mention that the factors that tend to assist the encroachment on our sovereignty are improvements in transportation, air transport, undersea transport and various new developments in technology. We saw the evidence when the Ski-doos travelled to the North Pole. They were Canadian, but any other country could come in and do this and we might not even know it was being done.
>
> In those vast spaces, it would not be difficult for other countries to set up study or research units here and there and eventually obtain squatter's rights and move on. The point I do make is that we must be more energetic and do more in terms of services for the North now than we used to when it was so difficult to reach the North.

Dr. Carr repeated these remarks in basically the same form at the recent conference on

[*Interprétation*]

bles. Vous savez que la doctrine du silence, au point de vue juridique, est très importante. En raison de votre silence vous acceptez implicitement les prétentions des autres si un temps suffisamment long s'écoule sans qu'un homme raisonnable, qui aurait des raisons de s'objecter, ne le fasse. Je crois que telle est la situation actuelle.

M. St. Pierre: Merci. J'aimerais maintenant aller du passé à l'avenir.

Récemment, comparaissait devant le Comité, le docteur Carr, auteur d'un rapport sur le Yukon, rapport qui porte son nom. Je lui ai posé quelques questions. J'aimerais vous en donner lecture:

> Je voudrais poser une question à M. Carr sur un point dont il a parlé, soit la souveraineté dans l'Arctique. A la suite de ses observations, j'en conclus qu'il éprouve certains doutes quant à notre souveraineté dans l'Arctique.
>
> **M. Carr:** Non. Comme vous le savez, il y a des questions impliquées dans certains actes comme ce projet *S.S. Manhattan*. Il y a là des choses à examiner. Non, je ne crois pas.

Par la suite, il a légèrement modifié sa déclaration. Peut-être serait-il préférable que je lise la déclaration au complet, car je m'intéresse à cette modification qu'il a apportée.

> **M. Carr:** Je pense plutôt qu'il faut toujours nous acheminer dans cette voie pour assurer cette souveraineté du Canada. Je n'ai pas parlé des facteurs qui peuvent aider à l'empiétement sur notre souveraineté, soit l'amélioration des services de transport, le transport aérien, le transport sous-marin et les diverses découvertes nouvelles en technologie. Nous en avons eu la preuve lorsque les motos-neige ont pu se rendre au pôle Nord—c'était des motos-neige de fabrication canadienne—et tout autre pays pourrait le faire, et ne nous en ferait sans doute pas part.
>
> Avec ces grands espaces, il serait assez facile pour d'autres pays d'établir des installations d'études et de recherche ici et là et d'obtenir, éventuellement, des droits d'occupants. Mais, seulement, je dis qu'il nous faut faire preuve de plus d'énergie et de faire beaucoup plus en fonction des services à assurer maintenant dans le Nord qu'on n'assurait pas lorsqu'il était si difficile d'avoir accès au Nord.

Monsieur Carr a répété ces mêmes remarques, à peu près de la même façon lors de la

[*Text*]

northern development in the Yukon. He seems to foresee a need for Canada to be alert so that other nations do not obtain some degree of squatter's rights in these spaces.

Dean Cohen: I think that is a very interesting comment. In respect of that immense number of islands, some of them have been visited less than others, some of them have had less scientific, less geological, less geographical work done on them, and if sudden-

• 1105

ly the Danes were really to send a team and we had not been there for a serious period of time, the question arises, "What would this do to the theory of effective occupation?" I have no doubt that if we played our cards badly it could be messy for us. I do not think from what I see, that we are in that position. I would be very surprised if in practically every major part of the island system we do not already have a regular visitation program. Whether we have an exploitation program of sufficient complexity is another question. What you raise really raises a further question. It is possible to argue that as technology improves exploitation must equally improve on the part of Canada to reinforce the idea that we effectively occupy the area and if we did nothing in the Arctic except visit when in fact technology provides now for real chances for exploitation, we might be weakening title if the sector and other theories did not support us.

Mr. St. Pierre: Could I put a hypothetical question to you on this? If a foreign oil company as a result of heavy exploitation discovered an oil field on one of our islands while we, in fact, were not doing so and a major oil industry developed under foreign control on one of the islands, in spite of the fact that we had Customs, Mounted Police and a few other people there could there not be a diminution of Canadian sovereignty?

Dean Cohen: I do not think so at the present moment. I would take the strong Canadian position at this moment that nobody can come on to any of those islands without the permission of the Government of Canada, period, that nobody can exploit these areas without the permission of the Government of Canada, period, and that even in an area where the Government of Canada has by some historical accident made infrequent visits or the visits have been less than might

[*Interpretation*]

conférence qui s'est déroulée récemment, au Yukon, sur les problémes du développement du Nord. Il semble croire que le Canada doit être vigilant afin que les autres pays ne puissent pas obtenir de droits d'occupants sur ces territoires.

M. Cohen: Je trouve ce commentaire intéressant. Pour ce qui est du nombre élevé d'îles dans ce secteur, certaines ont été visitées moins souvent que d'autres. Des travaux scientifiques, géologiques et géographiques moins nombreux ont été effectués dans certaines par rapport à d'autres. Si les Danois décidaient d'y envoyer une équipe et que nous n'y soyons pas allés depuis longtemps déjà, nous pourrions nous demander ce qui pourrait arriver de cette théorie relative aux occupants. Je ne doute nullement que si nous procédons de la mauvaise façon que les choses se gâteront pour nous. Je ne crois pas, toutefois, que nous soyons dans une telle situation. Je serais très surpris d'apprendre que nous n'avons pas déjà un système de visites périodiques dans la majeure partie de ces îles. Reste à savoir si nos programmes d'exploitation sont suffisants. Votre question soulève un autre aspect de la question. Il est possible d'affirmer qu'au fur et à mesure des progrès technologiques le Canada doit améliorer ses exploitations afin de démontrer que nous occupons effectivement la région. Et si nous ne faisions que visiter l'Arctique alors que les progrès technologiques nous offrent de merveilleuses chances d'exploitation, nous pourrions réduire nos chances si les autres théories ne jouaient pas en notre faveur.

M. St. Pierre: Pourrais-je vous poser une question hypothétique à ce sujet? Si une société pétrolière étrangère découvre un gisement de pétrole dans l'une de ces îles, alors que nous ne faisons rien, et qu'il en découle l'aménagement d'une importante industrie, contrôlée par des étrangers, dans l'une de ces îles, même si nous y avions des agents de douanes, la Gendarmerie Royale et quelques autres personnes, est-ce que nous n'y perdrions pas un peu au point de vue souveraineté?

M. Cohen: Non, je ne le crois pas présentement. J'adopterais une attitude ferme et affirmerais que personne ne peut se rendre dans l'une ou l'autre de ces îles sans la permission du gouvernement du Canada. Un point, c'est tout. Et j'affirmerais que personne ne peut exploiter ces régions, sans la permission du gouvernement du Canada. Un point, c'est tout. Et même si, dans une région, le gouvernement a effectué des visites peu nombreuses, ou des visites moins nombreuses qu'il aurait

[*Texte*]

have been, it still in my opinion really does not diminish the totality of the sovereignty we exercise. But I would add a caution, that in an age when this area is going to be exploited for its scientific and economic values, we would be foolish not to exercise the maximum of action to reinforce our title and our sovereignty.

The Chairman: Mr. Gundlock has indicated he has a supplementary.

Mr. Gundlock: Thinking back, and I am not sure whether you have covered it—I am trying to reinforce what I have heard today—does the Canada-Norway agreement in 1930 have some bearing on what we are speaking about?

Dean Cohen: What aspect are you now referring to? Is it the liquidation of the Norwegian claims to Axel Heiberg?

Mr. Gundlock: I think so.

Dean Cohen: I would have to go back and see just what the correspondence was like in order to know what to ask you. But it is my impression that Norway has never in recent years suggested that Axel Heiberg or any other area visited by Norwegian explorers was in any way not subject to Canadian sovereignty. I do not think that our friends in any part of the world have ever challenged our sovereignty on the land areas. I think you have to reckon that the silence of Norway since that date and the continuing silence in the United States, despite its activities up there, is a good sign about our position.

I think both countries would only raise two issues, or perhaps three. Issue No. one, they would raise questions as to whether or not the water system were internal waters. Issue No. two, they would insist that whatever the waters are, internal or not, these are passages from one part of the high seas to another to which we have the right of access. Issue No. three, if this were not continental shelf area, then it is open to the whole world through the UN resolution seabed theory and not open only to coastal Canada for exploitation. My understanding is that most of the land under the water adjacent to the islands on which you would now be given licenses to exploit for oil is continental shelf land and therefore under the jurisdiction of a coastal state.

• 1110

Mr. St. Pierre: You were saying that our position should be that the land is Canadian, period. Let us move now to the waters which you feel we should consider our own, and this involves the Manhattan project. Early in the

[*Interprétation*]

dû faire, cela ne diminue en rien, à mon avis, la souveraineté que nous exerçons sur ces territoires. Mais j'ajouterai qu'alors que cette région est vouée à une exploitation poussée en raison de ses valeurs scientifiques et économiques, nous serions un peu fous de ne pas prendre toutes les mesures possibles pour renforcer nos titres et notre souveraineté.

Le président: M. Gundlock a une question supplémentaire à poser.

M. Gundlock: Je ne sais pas si vous en avez parlé ou non. J'essaie simplement de clarifier le tout, pour mon propre bénifice. Est-ce que l'accord conclu par le Canada et la Norvège en 1930 entre en ligne de compte ici?

M. Cohen: A quel aspect du traité faites-vous allusion? L'élimination des prétentions de la Norvège sur Alex Heiberg?

M. Gundlock: Oui.

M. Cohen: Il me faudrait reconsulter les échanges de lettres à ce sujet, afin de savoir quelles précisions vous demander. Je crois que la Norvège n'a jamais prétendu, au cours des dernières années, qu'Axel Heiberg ou les autres régions visitées par des explorateurs norvégiens n'étaient pas sujettes à la souveraineté canadienne. Je ne crois pas que nos amis dans l'une ou l'autre des parties du monde aient jamais mis en doute notre souveraineté sur ces régions.

Je crois qu'il vous faut reconnaître que le silence de la Norvège depuis ce temps et le silence continuel des États-Unis, malgré leurs activités là-bas, renforce notre position.

Je crois que ces deux pays ne soulèveraient que deux ou trois points. D'abord, ils voudront faire établir la nature des eaux qui s'y trouvent afin de savoir s'il s'agit ou non d'eaux intérieures. En deuxième lieu, ils affirmeront qu'il s'agisse d'eaux intérieures ou non, qu'il s'agit de passages entre deux points de la haute mer et auxquels nous avons accès. Enfin, s'il ne s'agit pas d'un secteur du plateau continental, en raison de la résolution de l'ONU le secteur est ouvert à l'exploitation de tout pays et non seulement du Canada. Personnellement, je crois que la plupart des sols qui entourent les îles dans lesquelles vous auriez le droit d'exploiter les gisements pétroliers, font partie du plateau continental et qu'ils tombent sous la juridiction du Canada.

M. St. Pierre: Vous dites que nous devrions adopter la position selon laquelle ce terrain appartient au Canada, point. Arrêtons-nous, justement, à ces eaux que vous croyez que nous devrions considérer comme étant nôtres.

[*Text*]

century we were obliging whaling ships which used these waters in the archipelago by allowing them to purchase licences from the Canadian Government which, I assume, gave us a certain degree of authority.

Dean Cohen: You know a good deal more in this respect, Mr. St. Pierre, than I do. Are you saying that there was a time we licensed foreign whaling ships in Canadian waters?

Mr. St. Pierre: Yes. I think it cost us about $1000 to collect each license but the license was $50.

Dean Cohen: In what waters are we speaking about?

Mr. St. Pierre: In the archipelago.

Dean Cohen: Inside the archipelago?

Mr. St. Pierre: Yes.

Dean Cohen: That is a good sign.

Mr. St. Pierre: Captain Bernier.

Dean Cohen: That is a good sign. That supports my feeling that we have had some claims here.

Mr. St. Pierre: One of the things you said was extremely interesting. I wrote it down. You said that it was very important that the country which is claiming sovereignty acts as if it really treats this area as its own. Will we perhaps face a situation this summer, when the Manhattan attempts the passage of the Northwest Passage, when Canada will either have to insist that the Manhattan do so with Canadian permission or, if we do not do so, are we failing to act as if the waters within the archipelago are really our own?

Dean Cohen: Let me reply to that very interesting question with an interesting diversion. When the United States submarines, the Skate and I think it was the Nautilus, traversed the Arctic ice pack—and I think the first traversal of the Arctic ice pack was in 1957, 1958 or 1959, somewhere around that time—questions arose of course, since most of the Arctic ice pack, which is 800 miles across in this interisland system, was part of the open sea, the frozen-over Beaufort Sea, the northern Arctic and right across to the Greenland side.

Did the United States government say to the Department of External Affairs, "We may be coming into your sector of the Arctic ice pack and therefore we seek your permission to go under the Arctic ice pack"? The answer is they did not. I have a feeling that although

[*Interpretation*]

Ceci inclut le projet Manhattan. Au début du siècle nous permettions aux baleiniers qui empruntaient les eaux de l'archipel d'obtenir des permis du gouvernement du Canada ce qui, je suppose, nous conférait un certain degré d'autorité.

M. Cohen: Vous en connaissez davantage que moi, M. St-Pierre, à ce sujet. Est-ce que vous dites qu'à un certain moment nous accordions des permis aux baleiniers étrangers qui entraient dans les eaux canadiennes?

M. St. Pierre: Oui. Je crois qu'il nous en coûtait environ $1,000 pour percevoir la coût de chaque permis qui était de $50.

M. Cohen: De quelles eaux parlons-nous?

M. St. Pierre: De celles de l'archipel.

M. Cohen: A l'intérieur de l'archipel?

M. St. Pierre: Oui.

M. Cohen: C'est bon signe.

M. St. Pierre: Capitaine Bernier.

M. Cohen: C'est bon signe. Et ceci prouve ce que j'avançais, savoir que nous avions des prétentions dans ce domaine.

M. St. Pierre: L'une des choses que vous avez dites est très intéressante. Je l'ai notée. Vous avez dit qu'il est très important que le pays qui prétend détenir la souveraineté sur un territoire agisse de façon à démontrer qu'il considère ce territoire comme le sien. Allons-nous peut-être voir, cet été, le «Manhattan» tenter de traverser le passage du Nord-Ouest alors que le Canada insistera pour que le «Manhattan» obtienne au préalable sa permission, ou si nous ne le faisons pas, n'agissons-nous pas comme si les eaux intérieures de l'archipel ne nous appartenaient pas?

M. Cohen: Laissez-moi vous répondre à cette question intéressante par une histoire très divertissante. Lorsque les sous-marins américains, le «Skate» et le Nautilus» ont traversé la banquise de l'Arctique, je pense que la première traversée a eu lieu en 1957, 1958 ou 1959, on a commencé à se poser des questions, étant donné qu'une grande partie de la banquise de l'Arctique, qui est de 800 milles d'un bout à l'autre dans ce système interinsulaire, faisait partie de la haute-mer composée de la mer de Beaufort, de l'Arctique septentrional allant jusqu'aux côtes du Groenland.

Le Gouvernement des États-Unis a-t-il dit à notre ministère des affaires extérieures: «Il se peut que nous passions dans votre secteur de la banquise, par conséquent pourriez-vous nous permettre de le faire? La réponse est ceci: ils ne l'ont pas fait. Il me semble que

[*Texte*]

the Canadian government would like to have had some demonstration of the United States' interest in our knowledge and awareness of their presence, although there may have been a courtesy exchange of information, no permission was asked to go under the ice pack at all, and I think correctly so.

The Russians claim everything in the sector, the ice and water, and their sector theory goes much farther than the Canadian sector theory. The Russian sector theory includes the open sea, the air space above the open sea and the ice on the open sea. The Canadians have never claimed the open sea Beaufort, they have never claimed the open ice in the open sea and they do not claim, of course, the air space over the open ice or the open sea.

I will take this particular analysis and apply it to your question. If we are talking about the water inside the island system, I give cautious support to the Canadian claim to treat it as internal waters. I say "cautious" because I do not want that doctrine to be misunderstood or to give footnotes to the doctrine of Indonesia, which would make a shambles of the freedom of the seas as we have known it. But whatever the possibilities of Canadian sovereignty over the waters of the island system may be, there still must be innocent passage through all the established straits and all the established passages.

You will find in this very able and detailed article by Professor Pharand that he takes you all through the Northeast Passage, the Northwest Passage, the way the Russians treated the Northeast Passage, the way we may be treating the Northwest Passage, and I

• 1115

think Professor Pharand would agree that whatever the claims may be here it must not and cannot affect the right of innocent passage. Of course, this means a rather novel doctrine because the right of innocent passage was always a right that was limited to territorial waters, not to inland waters.

So, you have four classes of waters. You have territorial waters three miles or twelve miles off your coast. You have a contiguous zone, which most states have, to control customs, police, and so on. You have a fishing zone, which is usually the same distance as a contiguous zone and it is usually a total of 12 miles off the coast, 9 plus 3. You have a continental shelf, the waters of which we claim no control over at all, only of the sea bed and subsoil. You have these various kinds of jurisdiction off your coast. My view would be that you must recognize that I am claiming none of these jurisdictions for

[*Interprétation*]

même si le gouvernement canadien aurait bien aimé que les États-Unis manifestent un certain intérêt à lui faire connaître leur présence, bien qu'il ait pu y avoir un échange courtois d'information, aucune permission en vue d'aller sous la banquise n'a été requise.

Les Russes réclament tout ce qu'il y a dans ce secteur, l'eau et la glace, c'est-à-dire la théorie du secteur Russe va plus loin que la nôtre. La théorie Russe comprend la haute mer, l'espace aérien au-dessus de la haute mer et la glace qui s'y trouve. Les Canadiens eux n'ont jamais réclamé la mer de Beaufort, ni la glace en haute mer et ne réclame même pas l'espace aérien au-dessus de ces régions.

J'appliquerai cette analyse que je viens de faire, à la question que vous m'avez posée. Si nous parlons des eaux qui se trouvent à l'intérieur du système insulaire, j'appuie avec prudence la réclamation canadienne, de vouloir considérer ces eaux comme étant intérieures. Je dis prudence, parce que je ne veux pas qu'on interprète mal cette doctrine et qu'elle soit un prétexte au point de vue indonésien qui détruirait tout le concept de la liberté de navigation dans les mers. Mais, quelles que soient les possibilités que représente la souveraineté du Canada sur les eaux du système insulaire il doit toujours y avoir un droit de passage légitime dans tous les détroits et dans tous les passages.

Vous constaterez dans cet article détaillé du professeur Pharand qu'il vous prend à travers le passage du Nord-Est, le passage du Nord-Ouest et vous montre ce que les Russes pensent au sujet du passage du Nord-Est et ce que nous pensons du passage du Nord-Ouest, et je pense que M. Pharand conviendra que quelles que soient les revendications dans ce cas, elles ne doivent ni ne peuvent restreindre le droit de passage légitime. Cela, évidemment, voudra dire le début d'un nouveau concept, car le droit de passage légitime a toujours été un droit qui se limitait aux eaux territoriales et non pas aux eaux intérieures.

Ainsi vous avez quatre catégories d'eaux. Vous avez les eaux territoriales, qui s'étendent jusqu'à 3 milles ou douze milles des côtes. Vous avez une zone contiguë que tous les états ont pour exercer le contrôle douanier, policier etc. Vous avez une zone pour la pêche qui comporte la même distance que pour une zone contiguë, et elle se trouve d'ordinaire à une distance totale de douze milles de la côte, c'est-à-dire 9 plus 3. Vous avez un plateau continental, sur les eaux duquel nous ne détenons aucun droit, sauf pour ce qui est seulement du fond sous-marin et de son sous-sol. Vous avez ces diverses sortes de régle-

[*Text*]

this area. I am claiming the most extreme jurisdiction, which is not high seas jurisdiction but internal waters jurisdiction, which is the same as Lake Superior or the St. Lawrence River, namely, that by the theories I have outlined this would be treated as internal waters, but I do not press that to its logical conclusion.

I do not press it because we do not need it. We do not need it because the continental shelf doctrine may give us full control over the licensing, management and regulation of the exploitation of the sea bed and subsoil, particularly petroleum, except for that part of the ocean bed which is not continental shelf, and I am told by the experts there is very little of that; that most of the Arctic archipelago is part of the continental shelf of mainland North America.

Coming back to your question, if 60 or 70 years ago we charged foreign whalers a fee to go over these waters, we must have made certain assumptions because some of these waters are 100 miles wide. By some definitions they were high seas. By what rights, therefore, did we charge them? We must have made certain assumptions and two assumptions are possible.

In those days one assumption must have been sovereignty in this area of the waters. The other assumption is we were charging them for certain services we were providing. There were bases here, there were buoys here and there were navigation charts which we were giving them. It very well may be that if one looked carefully at the licence fees that were given in those days we would see there was a *quid pro quo* for them, a fee for services rendered to the foreign whaler in Arctic waters of some kind rather than an assertion of sovereignty.

Mr. St. Pierre: Dr. Cohen, from my reading I do not believe we offered them any services whatever. I do not know if I can find the reference in this short time but it was an expedition sent by the Canadian government for the purpose of establishing sovereignty in the area, and in their travels they charged Scottish and American whalers which they found . . .

Dean Cohen: Did they really? A regular fee.

Mr. St. Pierre: Yes.

[*Interpretation*]

mentations au large de vos côtes. Vous devez admettre que je ne revendique aucune de ces conditions pour ce secteur-ci. Je revendique la plus extrême réglementation, qui n'est pas comme celle de la haute mer, mais bien comme celle des eaux intérieures, laquelle est identique à celle qui s'applique au lac Supérieur ou au fleuve St. Laurent, c'est-à-dire que en vertu des théories que j'ai mentionnées, il s'agirait d'eaux intérieures, mais je ne pousserais pas la question pour en tirer les conclusions logiques.

Je n'en fais pas cas car nous n'en avons pas besoin. Nous n'avons pas besoin d'une telle doctrine, car la doctrine du plateau continental nous donnerait tous les pouvoirs au sujet de l'octroi des permis et de l'exploitation du fond sous-marin et de son sous-sol, surtout pour ce qui est du pétrole, sauf pour la partie du fond sous-marin qui ne constitue pas le plateau continental, et les experts disent que cela est très minime, étant donné que l'archipel de l'Arctique fait partie du plateau continental du continent Nord-américain. Pour revenir à votre question, si nous chargions aux chasseurs de baleines étrangers, il y a 60 ou 70 ans, une redevance, nous avons dû le faire en nous basant sur une certaine hypothèse, car certaines de ces eaux ont 100 milles de large. Dans un certain sens, ces eaux pouvaient être considérées comme étant en haute mer. Par conséquent, de quel droit avons-nous perçu ces redevances? Nous avons dû nous baser sur certaines hypothèses et dans ce cas deux hypothèses sont possibles.

En ce temps-là, une hypothèse a dû être celle de la souveraineté dans cette région. La deuxième hypothèse est que nous percevions cette redevance pour certains services que nous fournissions. Il y avait des bases, des bouées et il y avait aussi des cartes de navigation que nous leur fournissions. Il se peut fort bien que si nous regardions attentivement les permis qui étaient émis, nous remarquerions qu'il y avait une compensation, c'est-à-dire une redevance pour des services rendus aux baleiniers étrangers dans les eaux de l'Arctique, en quelque sorte, plutôt qu'une revendication de souveraineté.

M. St-Pierre: D'après ce que je lis, je ne pense pas que nous avons offert des services. Je ne sais si je peux trouver la référence en si peu de temps, mais il s'agissait d'une expédition envoyée par le gouvernement canadien afin d'établir notre souveraineté dans la région, et au cours du voyage, ils ont imposé une redevance aux baleiniers écossais et américains qu'ils rencontraient.

M. Cohen: Ont-ils imposé une redevance?

M. St-Pierre: Oui.

[*Texte*]

Dean Cohen: I will have to go back and see. There must have been some debates in the House of Commons on this. I would have to look and just see what the conditions of the charge were.

Mr. Allmand: Mr. Chairman, may I ask a supplementary question on this point. Dean Cohen, I understand in 1960, when the U.S. nuclear submarine Sea Dragon traversed the Northwest Passage, that a request was made by the U.S. government of Canada and that the Canadian government gave permission, but you mentioned the Nautilus and the other submarine . . .

Dean Cohen: That was under the ice pack.

Mr. Allmand: Yes, but the incident of 1960, when the Americans requested . . .

Dean Cohen: It suggests that they viewed this quite differently.

Mr. Allmand: Right, but would that not establish a precedent which would further support what was being put forward by Mr. St. Pierre.

Dean Cohen: That we have some sovereignty there.

Mr. Allmand: Yes, and the Americans recognized it, as a matter of fact.

Dean Cohen: Except in my opinion, if I were an American lawyer on this matter, I would insist that a warship would have to notify the country through whose internal waters they were going. I should have mentioned a very famous precedent here—the Corfu Channel case—which you will remember, Mr. Allmand. As you know, the Island of Corfu is just off the coast of Albania.

The Albanians mined their waters after the Second World War and a British destroyer going through the Corfu Channel less than three miles off the Albanian Coast blew up and the Albanians said, "You are in our waters, you are a warship, you have no right to be here, you take the chances". "No", said the British government, "for 3,000 years the Corfu Channel has been the short route from one part of the Aegean to the Adriatic, and therefore it is a natural highway from one part of the high seas to another even though it is inside your territorial waters". American lawyers might argue the same thing here.

They are going to go from Alaska and they are going to take the proper route through Prince of Wales Island here and reach Lancaster Sound. They might notify the Canadian government. In my opinion, if they are a warship, under our general practices they

[*Interprétation*]

M. Cohen: Je dois vérifier cela. Il y a eu sûrement un débat à la Chambre des communes à ce sujet. Je devrai me renseigner et voir quelles étaient les conditions de cette redevance.

M. Allmand: Une question supplémentaire, monsieur le président. Monsieur Cohen, si je comprends bien, en 1960, lorsque le sous-marin américain «*Sea Dragon*» a traversé le passage du Nord-Ouest, le gouvernement américain a demandé la permission au Canada de le faire et le Canada l'a accordée. Mais vous avez mentionné le «Nautilus» et l'autre sous-marin . . .

M. Cohen: C'était sous la banquise.

M. Allmand: Oui, mais l'incident de 1960, lorsque les Américains ont demandé . .

M. Cohen: Cela indique qu'ils voyaient l'affaire d'un autre œil.

M. Allmand: Bien, mais cela n'établirait-il pas un précédent, ce qui serait conforme à la thèse avancée par M. St-Pierre?

M. Cohen: Que nous jouissons d'une certaine souveraineté là-bas.

M. Allmand: Oui, et les Américains l'ont même reconnu.

M. Cohen: Exception faite de ma propre opinion, si j'étais un avocat américain sur cette question, j'insisterais sur le fait qu'un bateau de guerre devrait aviser le pays dont il traversait les eaux intérieures. J'aurais dû mentionner un fameux précédent, le cas du détroit de Corfou, dont vous connaissez bien M. Allmand. Comme vous le savez, l'île de Corfou se trouve juste au large de l'Albanie.

Après le Seconde Guerre mondiale, les Albanais avaient miné leurs eaux et un destroyer anglais, traversant le détroit à moins de trois milles de la côte albanaise sauta sur une mine. Les Albanais ont prétendu que le navire de guerre n'avait aucun droit d'être dans leurs eaux. Il devait par conséquent courir les risques. Le gouvernement britannique n'était pas de cet avis. Selon lui, le détroit de Corfou était, depuis 3,000 ans, un raccourci allant de la mer Egée vers l'Adriatique et constituait une voie naturelle allant d'une haute mer vers une autre, même si cette voie traversait les eaux territoriales de l'Albanie. Les juristes américains peuvent invoquer la même chose ici.

Ils voudront partir de l'Alaska en empruntant la bonne route via «l'île du Prince de Galles» pour atteindre «*Lancaster Sound*». Ils aviseront peut-être le gouvernement canadien. A mon avis, s'il s'agit d'un navire de guerre, selon la coutume, ils devraient le faire, mais

[*Text*]

would have to do so, but if they were a commercial vessel and these are regular channels from one part of the high seas to another, they might notify them as a matter of courtesy but I doubt if they have to notify them as a matter of law.

• 1120

The Chairman: I have a further supplementary. If these are to be regarded as internal waters does the right of innocent passage exist in the same way as it would through territorial waters?

Dean Cohen: That is the central question to which Professor Pharand addresses himself. When you have inland waters, does the doctrine of innocent passage apply in the same way as it applies to territorial waters?

In my opinion the answer to this has to be a new kind of answer. The long history of the use of these waters by explorers and the recent history of the discovery that you can traverse it, would mean that Canadians would have a very difficult time asserting the full range of sovereignty over the waters for the purpose of navigation from one part of the high seas to another. I think there has to be a right on the part of states to have innocent passage even through internal waters where they lead from one part of the high seas to another.

The Chairman: I have a further supplementary. Would it be sensible for the Canadian government to declare all these waters internal, inland waters and yet at the same time say, "We are going to grant to any nation wanting to use these waters for peaceful purposes the right of innocent passage".

Dean Cohen: I think so. I think this would be to our advantage internationally, politically and legally. It would reinforce our position greatly to say that peaceful use, for purposes of transport or navigation of any kind, would be treated as it always has been treated, but that if they were going to exploit the resources of the sea there, those resources of the sea belonged to us; that if they were going to dig holes in our Continental Shelf floor they would have to get our permission; if they were going to do scientific work in this area they would have to get our permission; but if they want to traverse the area from one part of the high seas to the other peaceably in commercial vessels I think they ought to have the same status.

There may be headaches here I have not foreseen, but my initial reaction is, yes.

[*Interpretation*]

s'il s'agit d'un navire commercial, traversant des voies régulières, menant d'une haute mer à une autre, ils pourraient aviser le gouvernement canadien par courtoisie, mais je doute qu'ils soient obligés de le faire du point de vue légal.

Le président: Autre question supplémentaire: si on doit les considérer comme des eaux intérieures, le droit de libre passage existe-t-il de la même façon qu'il existe dans le cas des eaux territoriales?

M. Cohen: Voilà l'essentiel de la question soulevée par M. Pharand. Dans le cas des eaux territoriales, est-ce que la doctrine de libre passage s'applique de la même façon que dans le cas d'eaux territoriales? A mon avis, il faut trouver une nouvelle solution à ce problème. Depuis longtemps les explorateurs naviguaient dans ces eaux; récemment, on a découvert qu'on pouvait les traverser: tout ceci rendra difficile au Canada d'affirmer sa souveraineté sur ces eaux, en ce qui concerne le passage d'une mer à l'autre. Je crois que les pays doivent avoir le droit de passage même s'il s'agit d'eaux intérieures, quand ces détroits vont d'un océan à l'autre.

Le président: Autre supplémentaire: est-ce qu'il serait sensé pour le gouvernement du Canada de déclarer que toutes ces eaux sont des eaux intérieures et en même temps accorder à tout pays qui veut s'en servir, à des fins pacifiques, le droit de passage?

M. Cohen: Je crois que cela serait à notre avantage au point de vue politique, économique et légal. Cela consoliderait notre position de déclarer que l'emploi de ces eaux à des fins pacifiques, pour le transport et la navigation, serait envisagé comme auparavant, mais que s'ils désirent exploiter les ressources de la mer, alors ces ressources nous appartiennent. S'ils veulent forer dans notre plateau continental, il faut qu'ils obtiennent notre permission; il faut aussi notre permission pour faire de l'exploration scientifique dans cette région; par contre, lorsqu'il s'agit de traverser d'un océan à l'autre, à des fins pacifiques, sur des vaisseaux marchands, ils devraient jouir du même statut. Il peut y avoir des problèmes que je n'ai pas prévus, mais au départ, je dirais qu'on devrait accorder ce droit de passage.

[*Texte*]

Mr. St. Pierre: Then what you are suggesting would lead to Canada declaring these to be internal waters and accompanying that with the declaration that...

Dean Cohen: Exactly.

Mr. St. Pierre: ...all nations had the right of innocent passage for peaceful purposes?

Dean Cohen: Yes.

Mr. St. Pierre: This would involve our drawing baselines across considerable stretches of water. There would be no other way for us to enclose these waters, would there?

Dean Cohen: I do not know; it depends. If you apply the sector theory literally to the entire water system you see what happens. The sector theory simply says that all these lands are there and that there are the high seas, to which we make no claim, and the ice pack, to which we make no claim; but that on the waters inside the island system you do not have to draw any internal baselines at all, because they are all internal waters.

Mr. St. Pierre: Yes, sir; at the edges of the island system you would need a baseline...

Dean Cohen: Yes; at the edge of the island system. And then you have the same problem that you have in Newfoundland. I was going to talk about our east and west coasts. Mr. Davis' recent statement has a bearing on this. I have a copy of the statement and many of you have seen it. Mr. Davis suggests he is going to draw some new baselines around Nova Scotia, affecting the Gulf of St. Lawrence and the Queen Charlotte Sound area.

Mr. St. Pierre: There is one of 96 miles there.

Dean Cohen: The point is that this is rather tricky. If the theory of such baselines has validity to this archipelago then it will have validity to this other one. If he is going to draw a line between Nova Scotia and Newfoundland and close off the Cabot Strait and the Gulf of St. Lawrence and say, "This is now internal waters"—which is one of the implications of his statement, with all of the international headaches involved—and I do not want to pursue that, because it would

• 1125

constitute a separate debate—the logical analogy of making that kind of decision would be to take the same attitude, perhaps, and to draw a baseline between Banks Island and one of these northern islands and have the line go in some appropriate way, island to island.

As I say, this is very experimental. It is a further extension of the Norwegian fisheries'

[*Interprétation*]

M. St-Pierre: Donc, le Canada pourrait déclarer que ce sont des eaux intérieures et alors...

M. Cohen: Exactement.

M. St-Pierre: ... permettre le passage à des fins pacifiques?

M. Cohen: Oui.

M. St-Pierre: Il nous faudrait alors fixer une ligne de base qui pourrait s'étendre sur des distances considérables. N'existe-t-il aucun autre moyen de fixer ces limites maritimes?

M. Cohen: Je ne sais pas, si vous mettez en jeu la théorie des secteurs pour tout le réseau, voici ce qui se passe. La théorie établit qu'il y a là des terres et qu'il y a la haute mer et la banquise, que nous ne réclamons pas; mais dans le cas des eaux intérieures, il n'y a pas lieu de tirer la ligne de base parce qu'elles sont à l'intérieur du pays.

M. St-Pierre: Oui, monsieur; à l'extérieur des îles, il faudrait fixer une ligne de base...

M. Cohen: Oui, sur le pourtour de l'archipel. Alors il y a le même problème à Terre-Neuve. J'allais parler des côtes occidentale et orientale. La récente déclaration de M. Davis touche à cela. J'ai un exemplaire de cette déclaration dont plusieurs ont pris connaissance. Monsieur Davis déclare qu'on établira de nouvelles lignes de base autour de la Nouvelle-Écosse, ce qui toucherait au golfe Saint-Laurent et à la région du détroit de la Reine Charlotte.

M. St-Pierre: Il y a 90 milles.

M. Cohen: Ceci est assez compliqué. Si la théorie de ces lignes de base vaut pour un archipel elle pourrait s'appliquer aussi à l'autre. Donc, si on trace une ligne de base entre la Nouvelle-Écosse et Terre-Neuve pour fermer le golfe Saint-Laurent, fermant le détroit de Cabot, et qu'on déclare ces eaux comme étant «intérieures», et la déclaration du ministre implique cela, ceci pourrait causer des problèmes internationaux, et je ne voudrais pas vous en parler ici, car il s'agit d'un autre problème. Donc, si on poursuit cette idée, on pourrait tirer une ligne de base entre l'île Banks et l'une de ces îles septentrionales, et faire passer cette ligne d'île en île.

Ceci est à l'étape expérimentale, comme je disais. C'est une extension, si l'on veut, de la

[*Text*]

concept and the 1958 Geneva Convention's concept—a further extension, perhaps, beyond what those who drafted those ideas foresaw. After all, I am told by students of the problem that the Norwegian archipelago is a very special kind of archipelago and very much integrated with the land mass and that this, perhaps, is a true archipelago, but much more complex than the Norwegian one. That is one of the weaknesses of my theory, probably—that is not quite the same. But the theory is greatly strengthened by what the geologists tell me, namely, that the entire seabed here is a Continental Shelf seabed; that it is not a big deep trench seabed; and, therefore, that it links this mass to the North American mainland.

What the effect is on the west coast I feel less competent to discuss, except perhaps to say that I have some concern about the effect of your closing off this water.

Mr. St. Pierre: Dr. Cohen, I believe that, of course, is an exclusive fishing zone which...

Dean Cohen: That is the theory he has in mind.

Mr. St. Pierre: He is not making Queen Charlotte Sound internal waters.

Dean Cohen: He is not trying that at all, is he?

Mr. St. Pierre: No.

Dean Cohen: But he is making the entire Sound a fishing zone and then drawing a line at some point beyond which it becomes high seas. But he will have to make some judgments about what the international community may think is a proper line for a fishing zone. We now say 12 miles, which is nine plus three; but it is nine plus three from some coastal area. I was not quite clear from his statement from where he is drawing the lines.

Be that as it may, I would not like to prejudge how you would draw the baselines around the outer rim of our Arctic island system. But someone is going to have to sit down and think about it.

Mr. St. Pierre: I believe Hudson Bay and Hudson Strait were recognized by a Hague court decision of half a century ago or more as being internal waters. I do not know if any map has ever been issued showing a baseline but this implies there has to be a baseline to signify the end of Hudson Strait.

Dean Cohen: I would have thought that there are two answers to that. One is that if you take the sector theory literally you do not need a baseline there, because by the sector theory it will now come from the ex-

[*Interpretation*]

théorie de l'affaire des pêches de Norvège et également de la convention de Genève de 1958. C'est une extension plus poussée encore, qui dépasse les idées de ceux qui ont formulé ces autres concepts. Après tout, les experts en la matière me disent que l'archipel en Norvège est assez spécial, qu'il est très intégré à la masse continentale; l'archipel en question ici est encore plus complexe que l'archipel norvégien, c'est un vrai archipel. C'est une des faiblesses de ma théorie: ils ne sont pas semblables. La théorie est renforcée par ce que disent les géologues, soit que le tout fait partie du plateau continental. Vu qu'il n'y a pas de grandes profondeurs, l'archipel est relié à la masse du continent nord-américain. Quant aux effets de la théorie sur la côte ouest, je ne veux pas me prononcer à ce sujet, mais les conséquences de fermer les eaux en question m'inquiètent.

M. St. Pierre: Je crois, monsieur Cohen, qu'il s'agit d'une zone de pêches réservée...

M. Cohen: C'est à cela qu'on pense.

M. St. Pierre: Il ne s'agirait pas de déclarer que la baie de la Reine Charlotte est intérieure.

M. Cohen: Non, ce n'est pas cela qu'on veut faire.

M. St. Pierre: Non.

M. Cohen: Le ministre veut faire une zone de pêche de toute la baie, puis tirer la ligne quelque part pour marquer le début de la haute mer. Mais il faudra qu'il décide ce que pense la collectivité internationale au sujet de ce qui est acceptable comme limite des zones de pêche. Maintenant, c'est douze milles, soit neuf et trois, à partir de la côte. Il faudrait savoir à partir de quel point on tire ces lignes, selon sa déclaration. Je ne voudrais pas préjuger de la question des lignes de base dans l'archipel de l'Arctique; en tout cas, il faudra y penser.

M. St. Pierre: La Baie d'Hudson a été considérée par la cour de La Haye comme une étendue d'eau intérieure, ainsi que le détroit d'Hudson. Je ne sais pas si on a imprimé des cartes indiquant la ligne de base, mais il faudrait qu'on tire une ligne au bout du détroit d'Hudson.

M. Cohen: Je pense qu'il y a deux réponses à ceci. La première est que si on prend la théorie des secteurs littéralement, il n'y a pas lieu de tirer la ligne de base à cet endroit, parce que, selon la théorie des secteurs, la

[*Texte*]

tremity of Newfoundland up to the Pole and that, therefore, encloses Hudson Strait. Therefore, you do not really need any fancy baseline going from, say, Ungava Bay, or the tip of Quebec, up to the outermost points of Baffin Island.

If you do not accept the sector theory you can presumably still make a good deal of sovereignty mileage out of drawing baselines, as you have suggested, but if you are prepared to draw a baseline from Nova Socia to Newfoundland you should be able to draw a baseline from northern Quebec to Baffin Island; and this would close off Hudson Strait and make Hudson Strait internal waters.

Further to that, I suspect no one has ever doubted that we have treated Hudson Bay as an internal water system for a very long time, again with the right of innocent passage to have access to our ports.

There are some very complicated problems here because the St. Lawrence Seaway involves this kind of question: Do nations have the right to come up the St. Lawrence River, or is this only a privilege which we give them? The Europeans are somewhat annoyed with Canadian-American legal theory because we treat access to the St. Lawrence Seaway not as a matter of right but as a matter of privilege. The Europeans say, "We let you on the Danube and Rhine as a matter of right, not as a matter of privilege".

Mr. St. Pierre: May I return just briefly to the Manhattan projet? What in your opinion should be the attitude of the Canadian government on this project this summer?

Dean Cohen: Perhaps you would enlighten me on what are the central facts there beyond the surface ones I get from reading the press? You may know a great deal more about it than I do. Am I correct in saying that the Manhattan project envisages a move from Prudhoe Bay...

The Chairman: From the east coast.

Dean Cohen: I am sorry; from the east coast, yes, they are coming through and over to Prudhoe Bay; they are going through Hudson Strait, or through Lancaster Sound. They are going up to Davis Strait, Baffin Bay, Lancaster Sound, down Prince of Wales Strait and then over to Amunds Gulf and out. I think that is the route they are going to

• 1130

travel. I think that is the map I saw published the other day.

My own view would be that a commercial vessel would owe to the Government of Canada the courtesy to keep them fully informed and we have a semi-legal obligation to let them go through the normal passages from one part of the high seas to another.

[*Interprétation*]

ligne partirait du bout de Terre-Neuve et irait jusqu'au pôle Nord. Ceci englobait le détroit d'Hudson; il n'y aurait pas lieu de faire des lignes compliquées entre l'extrémité du Québec ou de la baie d'Ungava, jusqu'à l'île de Baffin. Si on n'accepte pas cette théorie des secteurs, on peut toujours augmenter l'étendue de la souveraineté en tirant des lignes de base. Toutefois, si vous voulez tirer une ligne entre la Nouvelle-Écosse et Terre-Neuve, vous pourriez en tirer une entre l'Ungava et l'île de Baffin. Ceci permettrait de considérer la Baie d'Hudson comme une mer intérieure en fermant le détroit du même nom.

Nous avons toujours considéré la Baie d'Hudson comme une mer intérieure, depuis très longtemps, et nous donnons évidemment accès aux ports aux navires étrangers. Le problème existe également sur la Voie Maritime du Saint-Laurent. Est-ce que les pays étrangers ont le droit de remonter le Saint-Laurent ou est-ce un privilège qu'on leur donne? Les Européens sont quelque peu offusqués par cette théorie de droit du Canada et des États-Unis, soit que nous donnons accès à la voie maritime non pas comme droit mais comme privilège. En Europe, on nous permet de remonter le Rhin et le Danube à titre de droit et non de privilège.

M. St. Pierre: Puis-je revenir un instant au projet Manhattan. Quelle devrait être, à votre avis, l'attitude du gouvernement canadien à ce sujet, l'été prochain?

M. Cohen: Peut-être pourriez-vous m'éclairer sur les faits principaux de ce projet, car ce que j'ai appris dans les journaux est assez superficiel. Vous en savez probablement plus que moi. Il s'agit, je crois, d'un itinéraire qui placerait le départ de la Baie Prudhoe...

Le président: Plutôt de la côte orientale.

M. Cohen: Je m'excuse; donc, de la côte est, on passerait par la baie Prudhoe, puis par le Détroit d'Hudson, ou par le détroit de Lancaster. On traverserait le détroit de Davis, la baie de Baffin, le détroit de Lancaster, le détroit du Prince de Galles et enfin le golfe d'Amundsen, pour déboucher sur l'océan. Je crois que c'est le chemin qu'on suivra. Si je me rappelle bien, c'est ce qui était indiqué sur la carte que j'ai vue l'autre jour. A mon avis, tout vaisseau marchand devrait tout simplement par courtoisie et ces passages normaux d'une haute mer à une autre haute mer doivent être autorisés.

[*Text*]

Mr. St. Pierre: Thank you. I have just one other question concerning something I thought might have been left a little ambiguous by your first testimony.

You urged a three-nation conference on the Arctic basin.

Dean Cohen: No, not three-nation; I urged a conference of all the Arctic basin states but the initiative might be taken by the three most important interests, the U.S.S.R., the U.S.A. and Canada.

Mr. St. Pierre: What you were suggesting was a conference on the open seas—the basin—not a conference on our archipelago or any of the waters contained therein.

Dean Cohen: It would have nothing to do with problems of sovereignty. It would have to do with a common, wise approach to all the common basin problems.

There are common scientific problems; there are common problems on the use of air space. We might even get the U.S.S.R. to recognize the awkwardness of their claims to air space over the high seas in the Arctic which, of course, was the reason they were able to go out over the high seas and knock down a U.S.A. bomber 40 miles from the mainland on the high seas.

Conceivably such a conference might have very valuable arms control consequences but that would not be its primary purpose. Its primary purpose would be the scientific and social future of the Arctic as a great land mass oceanic system where I suspect various countries are working with some degree of independence and need some institutional unity.

Of course, we have the Arctic Institute which is both United States and Canadian one branch of which is in Washington and the other branch at McGill. It is an extremely valuable tool for common research. Many of the scholars there have gone to Leningrad and studied and have exchanges with the Arctic Institute of the U.S.S.R., I am told. The Department of Northern Affairs here has had a long and valuable Arctic tradition; DRB has some people who are very knowledgeable about the arctic but I get the feeling that the time is ripe for a great international basin conference. There are enough issues in common of an important socio-economic nature to warrant it without getting into kettles of fish over our sovereignty. But it cannot hurt our sovereignty; perhaps it can only help it indirectly.

[*Interpretation*]

M. Saint-Pierre: Merci, j'ai une question en relation avec quelque chose qui a pu rester ambigu à la suite de votre premier témoignage. Vous avez insisté sur une conférence de trois pays sur l'Arctique.

M. Cohen: Non, il ne s'agit pas de trois pays. J'ai demandé qu'il y ait une conférence de tous les États riverains du bassin de l'Arctique mais les trois principaux pays doivent évidemment prendre les initiatives, notamment la Russie, les États-Unis et le Canada.

M. St-Pierre: Mais vous avez laissé entendre qu'il devrait y avoir une conférence sur l'ensemble du bassin Arctique et non pas simplement sur notre archipel Arctique?

M. Cohen: Non, il n'y a pas de question de souveraineté qui serait discutée là. Ceci porterait sur les intérêts communs ou une optique qui permettrait d'aborder tous les problèmes communs à ce bassin Arctique.

Il y a des problèmes communs d'ordre scientifique et sur l'utilisation de l'espace aérien. Nous pourrions peut-être arriver à ce que la Russie reconnaisse l'inconvénient de ses réclamations en ce qui concerne l'espace aérien au-dessus de la haute mer de l'Arctique. C'est la raison pour laquelle, d'ailleurs, ils étaient capables d'aller au-dessus de la haute mer et de descendre des avions américains à 40 milles du continent. Cette conférence pourrait avoir des conséquences de grande portée sur le contrôle de l'armement sans que cela soit son but primordial. Elle aura pour objet de mettre au clair l'avenir scientifique et social de l'Arctique en tant que continent et océan arctique. Certains pays s'en occupent avec une certaine indépendance et ce projet permettrait de réaliser une unité institutionnelle.

Les Américains et les Canadiens ont l'Institut arctique qui se trouve à Washington et à l'Université McGill. C'est un outil extrêmement précieux aux fins de recherches communes. Nombre de savants sont allés à Leningrad pour faire des études et ils ont des échanges avec l'Institut arctique de l'URSS selon ce que l'on m'a dit. Le ministère du Nord canadien a une certaine expérience concernant l'Arctique. Le Conseil de la recherche pour la défense a des gens là qui sont très au courant de la question et je pense que ce serait intéressant d'avoir une conférence internationale à ce sujet. Il y a tant de sujets communs d'ordre socio-économique qui la justifient sans en faire une affaire de notre souveraineté. Mais, cela ne nuira pas à notre souveraineté mais pourrait peut-être nous aider indirectement.

[*Texte*]

Mr. St. Pierre: Thanks very much. That completes my questioning.

Mr. Gundlock: May I ask a supplementary here? As a matter of fact, the 1960 expedition referred to earlier did not have permission but they did notify us. Is that right?

Dean Cohen: Did they notify us?

Mr. Gundlock: Yes.

Dean Cohen: In the face of a submarine I certainly would expect them to do so.

Mr. Gundlock: Mr. Chairman, would it be permissible to have Professor Pharand's treatise attached to our transcript?

The Chairman: If we have the permission of the Committee we could have it produced as an Exhibit and I can then ask the Clerk to distribute a copy to each member. Is this acceptable to the Committee?

Some hon. Members: Agreed.

The Chairman: Gentlemen, Dean Cohen has another engagement which requires that he leave now. We will arrange some other time, either later this month or during the month of May, to have Dean Cohen before us again.

We appreciate sincerely, Dean Cohen, your coming here this morning. You have taken time out from a very busy time at McGill and what you have said this morning has clarified a number of points for us. We are looking forward to hearing from you again.

Dean Cohen: I enjoyed coming, Mr. Chairman. Thank you, gentlemen.

The Chairman: Thank you.

[*Interprétation*]

M. St-Pierre: Merci beaucoup. Cela répond à mes questions.

M. Gundlock: J'ai une question supplémentaire à poser. En fait, l'expédition de 1960 que vous avez mentionnée auparavant n'avait pas la permission mais ils nous ont avertis. Est-ce correct?

M. Cohen: Ils nous ont averti.

M. Gundlock: Oui.

M. Cohen: Dans le cas d'un sous-marin, je m'y attends quand même.

M. Gundlock: Monsieur le président, est-ce qu'il serait permis d'annexer le traité du professeur Pharand à notre transcription?

Le président: Si nous avons la permission du Comité de reproduire à titre de pièce officielle, je pourrais demander au secrétaire de distribuer un exemplaire à chaque membre. Est-ce que cela convient au Comité?

Des voix: D'accord.

Le président: Messieurs, le professeur Cohen a un autre engagement un peu plus tard qui fait qu'il doit partir maintenant. Nous fixerons un autre moment, soit plus tard au cours de ce mois ou au cours du mois de mai pour que M. Cohen revienne. Nous vous sommes très reconnaissants de votre intéressante conférence ce matin. Malgré le peu de temps que laisse votre travail à McGill et basé sur ce que vous avez dit ce matin, ce qui a élucidé un certain nombre de points pour nous nous aurons du plaisir de vous revoir.

M. Cohen: J'ai été très heureux de venir. Merci, messieurs.

Le président: Merci messieurs.

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman Ian Watson *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY
JUN - 3 1969
UNIVERSITY OF TORONTO

No. 19

TUESDAY, APRIL 22, 1969

LE MARDI 22 AVRIL 1969

Respecting

BILL S-29

Oil and Gas production and Conservation Act

Concernant

BILL S-29

Loi sur la production et la conservation du pétrole et du gaz

---

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*)

(*Voir Procès-verbaux*)

THE QUEEN'S PRINTER, OTTAWA, 1969
L'IMPRIMEUR DE LA REINE, OTTAWA, 1969

20079—1

STANDING COMMITTEE ON
INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES
INDIENNES ET DU DÉVELOPPEMENT
DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*
Vice-Chairman Mr. Paul St-Pierre *Vice-Président*

and Messrs. et Messieurs

Allmand,
Cullen,
Deakon,
Dinsdale,
[1] Duquet,
Hymmen,
Gundlock,
Hogarth,
Kaplan,
Laprise,
Marchand,
(*Kamloops-Cariboo*),
Nielsen,
[2] O'Connell,
Orlikow,
Simpson,
Southam,
Thomson,
(*Battleford-Kindersley*),
Yewchuk (20).

Le secrétaire du Comité,

Michael B. Kirby,

Clerk of the Committee.

Pursuant to S.O. 65 (4) (*b*)

[1] Replaced Mr. Guay (St. Boniface) April 22, 1969

[2] Replaced M. Stafford April 21, 1969.

Conformément à l'article 65 (4) *b*) du Règlement

[1] Remplace M. Guay (St. Boniface) le 22 avril 1969

[2] Remplace M. Stafford le 21 avril 1969.

ORDER OF REFERENCE

TUESDAY, April 15, 1969.

Ordered,—That Bill S-29, An Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories, be referred to the Standing Committee on Indian Affairs and Northern Development.

ATTEST:

ALISTAIR FRASER,
The Clerk of the House of Commons.

ORDRE DE RENVOI

Le MARDI 15 avril 1969.

Il est ordonné,—Que le Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest, soit déféré au comité permanent des affaires indiennes et du développement du Nord canadien.

ATTESTÉ:

Le Greffier de la Chambre des communes,
ALISTAIR FRASER.

20079—1½

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, April 22, 1969.
(20)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.50 a.m., the Chairman, Mr. Watson, presided.

Members present: Messrs. Cullen, Deakon, Duquet, Gundlock, Kaplan, Laprise, O'Connell, Simpson, Southam, Thomson (*Battleford-Kindersley*), Watson—(11).

Witnesses: From the Department of Indian Affairs and Northern Development; Mr. J. A. MacDonald, Deputy Minister; Mr. A. D. Hunt, Director, Northern Economic Development Branch (Economic Development); Dr. H. Woodward, Chief, Oil and Gas Division, Development Branch (Economic Development).

The Committee *agreed* to stand item 1 of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Committee then *agreed* to proceed to consider Bill S-29, An Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories.

The Chairman called clause 1 of Bill S-29, and then introduced the witnesses.

Mr. Hunt made a statement and the witnesses were questioned.

At 12.00 noon, on motion of Mr. Thomson (*Battleford-Kindersley*), it was

Agreed,—That the Committee adjourn to Thursday, April 24, 1969.

Michael B. Kirby,
Clerk of the Committee.

[*Traduction*]

PROCÈS-VERBAL

Le MARDI 22 avril 1969.
(20)

Le Comité permanent des Affaires indiennes et du Nord canadien se réunit ce matin à 9 h. 50 sous la présidence de M. Watson.

Présents: MM. Cullen, Deakon, Duquet, Gundlock, Kaplan, Laprise, O'Connell, Simpson, Southam, Thomson (*Battleford-Kindersley*), et Watson—(11).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: MM. J. A. MacDonald, sous-ministre; A. D. Hunt, directeur, Direction de l'expansion économique du nord (Expansion économique); H. Woodward, chef, Division du pétrole et du gaz, Direction du développement (expansion économique).

Le Comité s'accorde pour réserver le crédit 1 des Prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

Le Comité s'accorde pour entreprendre l'étude du Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest.

Le Président met à l'étude l'article 1 du projet de loi et présente ensuite les témoins.

M. Hunt fait une déclaration et on interroge les témoins.

A midi, M. Thomson (*Battleford-Kindersley*), propose et

il est convenu.—Que le Comité s'ajourne jusqu'au jeudi 24 avril 1969.

Le secrétaire du Comité,
Michael B. Kirby.

[*Texte*]

EVIDENCE

(Recorded by electronic apparatus)

• 0950

Tuesday, April 22, 1969

The Chairman: Gentlemen, I see a quorum. I owe the membership an explanation for the change in the order of business. Last Friday it appeared that we would have to cancel this meeting unless we proceeded to use the time available for Bill S-29 which had been referred to the Committee. I made a decision which later was accepted by the steering committee—if there is no objection from the membership today—that we proceed with Bill S-29. I ask for agreement by the Committee to the procedure we have adopted. Do we have agreement?

Some hon. members: Agreed.

Mr. Deakon: Mr. Chairman, may I ask a question? I agree with the decision but I want to know when the estimates of this Department have to be cleared.

The Chairman: I understand they have to be in at the end of May.

Mr. Deakon: Thank you.

The Chairman: I will call Clause 1 of Bill S-29—An Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwast Territories.

On Clause 1—Short Title.

The Chairman: We have with us today Mr. A. D. Hunt of the Department of Indian Affairs and Northern Development. Mr. Hunt is the Director of the Northern Economic Development Branch. We also have with us Dr. H. Woodward, Chief of the Oil and Gas Division of the Economic Development Branch of the Indian Affairs and Northern Development Department. Both Mr. Hunt and Dr. Woodward have been before us in the past as witnesses, gentlemen we are pleased to have you with us again today. I think we should first hear an explanation of the details of the Bill. Could you give us an outline?

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 22 avril 1969

Le président: Messieurs, nous avons le quorum. Je dois certaines explications aux membres du Comité concernant le changement de l'ordre du jour. Vendredi dernier, il nous est apparu que nous aurions à annuler la réunion d'aujourd'hui; à moins que nous utilisions le temps disposnible pour l'étude du projet de loi S-29, qui a été référé devant ce Comité. J'ai pris une décision qui, plus tard, a été acceptée par le comité directeur, pour que nous commencions l'étude du projet de loi S-29 aujourd'hui, à moins qu'il y ait objection de la part des membres du Comité. Je demande donc l'accord du Comité au sujet de la procédure que nous avons adoptée. Êtes-vous d'accord, messieurs?

Des voix: D'accord.

M. Deakon: Monsieur le président, pourrais-je poser une question? Je suis d'accord avec la décision prise par le Comité, mais j'aimerais savoir si les prévisions budgétaires de ce ministère ont toutes été étudiées finalement.

Le président: D'après moi, elles doivent l'être d'ici la fin du mois de mai.

M. Deakon: Merci.

Le président: Nous commencerons maintenant l'étude de l'article 1 du projet de loi S-29—Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les Territoires du Nord-Ouest.

Article 1—Titre abrégé.

Le président: Nous avons aujourd'hui avec nous M. A. D. Hunt, du ministère des Affaires indiennes et du Nord canadien. M. Hunt est le directeur de la Direction de l'expansion économique du Nord. Nous avons aussi avec nous M. H. Woodward, chef de la Division du pétrole et du gaz, de la Direction du développement économique du ministère des Affaires indiennes et du Nord canadien. MM. Hunt et Woodward sont déjà venus témoiger devant ce Comité par le passé, et nous sommes heureux de les avoir encore parmi nous aujourd'hui. Je pense que nous devrions, en premier lieu, avoir une explication détaillée de ce projet de loi. Pouvez-vous nous en faire part?

[*Text*]

Mr. Simpson: Mr. Chairman, before the Committee hears an outline of the Bill may I ask how far the Committee intends to proceed today with Bill S-29? I do not think we are going to complete our hearing of Bill S-29 today.

The Chairman: No, we do not plan to pass any clauses of the Bill today, Mr. Simpson. I feel we should hear from some representatives of the petroleum industry. We have indicated to the Canadian Petroleum Association and to the Independent Petroleum Association of Canada that we would be prepared to hear representations from these two associations. I understand that the Independent Petroleum Association wishes to appear, so I feel we should hear from them before we proceed to pass any clause of the Bill.

Mr. Simpson: Very good.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, on a matter of procedure, where or under what clause of this Bill would we discuss the pro-rationing concept?

The Chairman: We will not be discussing it today as we will be hearing from the two witnesses today, Mr. Thomson. We probably will touch upon it as a result of the testimony given by the two witnesses and if you wish to discuss this in detail you may have a chance to ask questions on it today, but we will not be passing that particular clause today.

Mr. Thomson (Battleford-Kindersley): I just wanted to make sure that I would have an opportunity. Thank you.

The Chairman: Before we proceed to hear from the witnesses could we have agreement to stand Item 1 of the estimates until a subsequent meeting?

Some hon. Members: Agreed.

The Chairman: Mr. Hunt?

Mr. A. D. Hunt (Director, Northern Economic Development Branch, Economic Development, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. The proposed Oil and Gas Production and Conservation Act is being introduced at this time because it is thought that we are really overdue for legislation to control the

[*Interpretation*]

M. Simpson: Monsieur le président, avant que le Comité entende une description détaillée de ce projet de loi, pourrais-je demander tout d'abord jusqu'où le Comité entend poursuivre l'étude du projet de loi S-29 au cours de cette séance? Je ne pense pas que nous puissions terminer l'étude de ce projet de loi aujourd'hui.

Le président: Non, nous ne pensons pas approuver aucun des articles du projet de loi aujourd'hui, monsieur Simpson. Je pense que nous devrions entendre certains représentants de l'industrie pétrolière. Nous avons fait part à la *Canadian Petroleum Association* et à la *Independent Petroleum Association of Canada* que nous sommes prêts à entendre leurs représentations. Je crois que la *Independent Petroleum Association* désire venir témoigner. Ainsi, je pense que nous devrions entendre leur mémoire avant de procéder à l'adoption de tout article de ce projet de loi.

M. Simpson: Très bien.

M. Thomson (Battleford-Kindersley): Monsieur le président, j'en appelle au Règlement. J'aimerais savoir en vertu de quel article de ce projet de loi nous devrons discuter le concept du prorata?

Le président: Nous n'en discuterons pas aujourd'hui, puisque nous entendrons deux témoins, monsieur Thomson. Nous en parlerons certainement lorsque nous aurons entendu le témoignage des deux personnes qui sont devant nous aujourd'hui. Et si vous voulez discuter de ce sujet dans les détails, vous aurez la possibilité de poser des questions à ce sujet aujourd'hui. Mais nous n'adopterons aucun article en particulier aujourd'hui.

M. Thomson (Battleford-Kindersley): Je voulais juste savoir si j'en aurais l'occasion. Merci.

Le président: Avant que nous procédions à l'audition des témoins, pouvons-nous avoir l'accord du Comité pour réserver le crédit n° 1 des prévisions budgétaires jusqu'à une prochaine séance du Comité?

Des voix: Adopté.

Le président: Monsieur Hunt?

M. A. D. Hunt (directeur, Direction de l'expansion économique du Nord, ministère des Affaires indiennes et du Nord canadien): Merci, monsieur le président. Le projet de loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les Territoires du Nord-Ouest a été déposé devant le Parlement, car nous pensons

[*Texte*]

production and the conservation of oil and gas that is being developed in the Yukon and the Northwest Territories.

If I might, Mr. Chairman, I would like very briefly to review the increasing tempo of exploration and development activity in the North—when I say North, I mean the two territories—over, say, the past decade. Just looking back about 10 years I note that exploration expenditures, for instance, at that time were at a level of around $10 million a year on oil and gas for that whole vast territory.

This year we expect that the expenditures for exploration, not the development, will be something in the order of $35 million to $40 million. Thus, there has been a fourfold increase during the past decade.

In addition, we have had two important discoveries of gas in the southwestern corner of the Yukon and the south eastern corner of the Northwest Territories which is called generally the Fort Liard area. One is an extension of a gas field from British Columbia to the south across the border into the Yukon, the Beaver River Field, and the other is a few miles to the north and slightly east, the pointed Mountain Field. Both these gas fields, we anticipate, will be connected to market by pipeline within a year to two years. As we understand it the Pan American Petroleum Corporation which is the operator in these fields has an agreement with West Coast Transmission Company Limited to take this gas within about a year to two years. In addition there have been several small oil and gas discoveries in the Eagle Plains area of the northern Yukon and I am sure that when I mention the word Prudhoe Bay everyone will associate that with the extremely large oil discovery in Alaska, but which has suggested to many people that essentially similar opportunities, at least, may exist in the Mackenzie Delta area just north of Inuvik.

Therefore, I think it might be appreciated that with production just about to start on a fairly large scale for gas and with increasing activity and improved known prospects for finding oil and gas, some legislation to provide for the orderly development, the control and

[*Interprétation*]

qu'il est temps que nous passions une loi pour contrôler la production et la conservation du pétrole et du gaz qui est actuellement mis en production dans le territoire du Yukon et les territoires du Nord-Ouest.

Si vous me le permettez, monsieur le président, je voudrais vite passer en revue l'expansion des activités visant à l'exploration et à l'exploitation du pétrole et du gaz dans le Grand Nord—lorsque je dis «Nord» je veux penser aux deux territoires en question—au cours, disons, des dix dernières années. Si nous nous reportons à dix ans en arrière, nous pouvons voir que les dépenses d'exploration à cette époque-là atteignaient un niveau de 10 millions de dollars par an, pour tout le territoire en question.

Cette année, nous pensons que les dépenses destinées à l'exploration, à l'exception de l'exploitation, seront de l'ordre de 35 à 40 millions de dollars. Ainsi, ces dépenses ont quadruplé au cours des dix dernières années.

De plus, il y a eu deux importantes découvertes de gaz naturel dans le sud-ouest du Yukon et dans le sud-est des Territoires du Nord-Ouest que l'on appelle communément la région de Ford Liard. La première découverte est une extension d'un champ de gaz naturel déjà exploité en Colombie-Britannique et qui traverse la frontière du Yukon; il s'agit du gisement de Beaver River; la deuxième découverte se trouve à quelques milles plus au nord et légèrement à l'est; il s'agit du gisement de Pointed Mountain. Ces deux champs de gaz naturel, comme nous pouvons nous y attendre, seront reliés au marché par un pipeline, d'ici un ou deux ans. C'est la *Pan American Petroleum Corporation* qui est la société qui exploite ces champs de gaz et qui a passé un accord avec la *West Coast Transmission Company Limited* afin d'exploiter ces gisements de gaz naturel d'ici un ou deux ans. De plus, on a fait plusieurs petites découvertes de pétrole et de gaz dans la région de Eagle Plains, dans le nord du Yukon, et je suis certain que lorsque je mentionnerai la Baie Prudhoe, tout le monde associera cela à cette importante découverte de pétrole, en Alaska, qui peut avoir des répercussions semblables dans des terrains très similaires qui existent dans le delta du Mackenzie, juste au nord d'Inuvik.

Ainsi, je pense que nous devons considérer que la production qui pourrait débuter incessamment à une échelle assez considérable pour le gaz naturel, et avec une activité croissante conjuguée avec les moyens améliorés pour la découverte de pétrole et de gaz,

[*Text*]

the prevention of waste in, I might say, the industrial sense, is quite badly needed.

The Bill, if I might characterize it, is in large measure perhaps what one would call a housekeeping bill in that it is a fairly standard approach in accordance with practices that have been developed over many years on the North American Continent, in particular, to the conservation and the production of oil and gas. I hope that it will be apparent within this Bill it has been possible to take advantage of the experience first developed perhaps in the United States and then later, I might say, perhaps improved upon in Western Canada and now in this Bill hopefully particularly adopted to the requirements, the special conditions of the Northern Territories.

If I might, Mr. Chairman, I think I could very briefly summarize the Bill into compartments and this would, at least, set the background for some of the policies contained in it and then perhaps the detail.

The Bill, first of all, contains provisions for establishing what is called an oil and gas committee. The purpose of this would be to provide a reasonably independent body to review many of the decisions of the administrative officials who would be charged with applying the Act and in addition to hear in public applications for unitization, applications for pooling and so on, those sort of things where it is necessary to bring out the facts to allow different groups to present their views of the situation and the committee would then, of course, be charged with arriving at a recommendation as to what should be the disposition of anything brought before it.

I suspect that there may be questions why a committee of this nature is recommended rather than an independent board such as the Alberta Oil and Gas Conservation Board or, perhaps, going to the other extreme if I may put it that way, a committee composed entirely of government personnel such as is found, I believe, in Saskatchewan. We hope that this committee, in a way, has the best of two worlds. In the first place, it did not seem appropriate, as yet anyhow, to set up an independent board. The level of production and the level of activity hardly warrant that sort of approach. In addition, of course, there was a feeling that the committee is best operated, at least in part, in conjunction with the administration of the Act.

[*Interpretation*]

qu'une mesure législative quelconque permettant un développement ordonné, un contrôle, une prévention des pertes, dans le sens industriel du mot, est absolument nécessaire.

Le projet de loi, si je peux le décrire ainsi, est, dans une large mesure, un projet de loi qui veut mettre de l'ordre dans ce domaine, et qui correspond aux mesures normales qui sont en vigueur et qui ont été développées au cours des dernières années sur le continent nord-américain, particulièrement en ce qui a trait à la conservation et à la production du pétrole et du gaz naturel. J'espère qu'il sera très visible que ce projet de loi nous a permis de bénéficier de l'expérience, en premier lieu, des États-Unis, et ensuite de l'Ouest du Canada, dans ce domaine, et que ce projet de loi répond particulièrement bien aux besoins et aux conditions spéciales des Territoires du Nord-Ouest.

Si vous me le permettez, monsieur le président, je pense que je pourrais brièvement résumer le projet de loi par sections, ce qui permettrait tout au moins de poser des jalons vis-à-vis des politiques contenues dans ce projet.

Le projet de loi, avant tout, contient une disposition que nous pourrions appeler une disposition destinée à l'établissement d'un comité du pétrole et du gaz naturel. Ce qui permettrait de créer un organisme raisonnablement indépendant, qui permettrait de réviser les décisions des fonctionnaires qui sont chargés de l'application de la loi, et qui pourrait, en plus de cela, tenir des audiences publiques pour les demandes concernant la réunification, l'agglomération, et tous les besoins envers lesquels il est nécessaire que différents groupes puissent faire valoir leurs points de vue quant à une situation donnée, et ce comité pourrait évidemment être chargé de formuler des recommandations quant aux dispositions à prendre concernant les problèmes qui lui sont posés.

Je pense qu'il y aura des questions au sujet de la nature de ce comité et pourquoi un tel comité est recommandé plutôt qu'un conseil indépendant tel que celui de l'*Alberta Oil and Gas Conservation Board*, ou si on va jusqu'à l'extrême, un comité composé entièrement de fonctionnaires du gouvernement, tel que nous le trouvons, par exemple, en Saskatchewan. Nous espérons que ce Comité aura la meilleure solution, nous n'avons pas cru bon d'établir un organisme ou un bureau indépendant pour le moment, puisque l'activité n'est pas encore assez intense. De plus, on a le sentiment que le Comité donnera le meilleur rendement s'il peut être en contact avec ceux qui sont chargés d'appliquer la loi.

[*Texte*]

On the other hand, it was felt both by the Department and by the industry that a committee composed entirely of departmental or government representatives would really amount to one which was administrator and judge of its own actions.

The next part of the Bill contains authorization for the Governor in Council to make regulations. If members of the Committee will refer to Clause 12 they will find that these regulations really cover nearly all activities in the production of oil and gas—the drilling of wells, the production of oil, the transportation of oil—and the authorization to make regulations relative to pollution. There are provisions for making regulations on safety, on the machinery and equipment used in oil fields, on pressure-cycling and on the making of surveys, and so forth. If you like, this is, in the main, the housekeeping item of the Bill. Of course, the authorization for making regulations is provided because there is a need in nearly all the areas mentioned to make sure that the regulations can be adjusted with changing technology and the development of new approaches and new processes.

The next series of clauses in the Bill have to do with waste, and these are Clauses 13 to 19. This is one of the cornerstones, I suppose, of the whole Bill. The purpose here is to ensure, first, that there be no physical waste—that is, oil spilled on the ground, or carelessly handled—or gas allowed to escape to the atmosphere.

In addition to that there is a much deeper concept of waste, and that is that in addition to physical waste there should be no waste of reservoir energy. We have seen in other areas, fortunately not really in Canada, situations particularly in the early years, in which there have been no controls. As a result, the short-term dollar has been the important factor and various organizations have acquired oil rights, drilled their wells and produced the oil at the fastest possible rate without any regard to the preservation and conservation of reservoir energy. The net result of that was, in fact, that they allowed the energy to escape and recovered only a very small fraction—perhaps 5 per cent—of the total oil in the reservoir.

Waste, as you will see, is defined in several ways, but the two main ones are physical waste and the reduction of reservoir energy.

Also, an important definition of waste is failure to use artificial or assisted recovery methods where these might result in a greater recovery of oil and gas under—and this is important—sound engineering and economic principles. The thought here is that it is desir-

[*Interprétation*]

D'autre part, on a cru, tant au ministère que dans l'industrie, qu'un Comité composé entièrement de fonctionnaires ou de représentants du gouvernement équivaudrait en sommes à un comité administrateur et juge de ses propres actions.

La partie suivante de la loi autorise le gouverneur en conseil à formuler des règlements. Si les membres du comité veulent se reporter à l'article 12, ils verront que ces règlements couvrent à peu près toute activité rattachée à la production de gaz et de pétrole, au forage des puits, à la production et au transport du pétrole et à l'autorisation de faire des règlements touchant la pollution. On y parle de la sécurité, de l'équipement et des machines utilisées, du recyclage de la pression, des relevés, et ainsi de suite. Il s'agit des articles réguliers, si je puis dire. L'autorisation de faire des règlements a été assurée parce qu'il est nécessaire dans toutes ces régions de s'assurer que les règlements peuvent être adaptés aux changements technologiques et à la mise en œuvre de nouvelles méthodes ou de nouveaux procédés.

Ensuite, il y a les articles 13 à 19 du projet de loi qui traitent du gaspillage. C'est une des pierres angulaires du projet de loi. On veut s'assurer d'abord qu'il n'y aura pas de gaspillage matériel, c'est-à-dire de pétrole répandu sur le sol ou manipulé sans soin, ou de gaz laissé en liberté dans l'atmosphère.

On pousse plus loin le concept du gaspillage; en plus du gaspillage matériel, il ne doit pas y avoir de gaspillage des réservoirs d'énergie. On a vu dans d'autres régions, peut-être pas au Canada, heureusement, des situations où, au début surtout, il n'y avait aucun contrôle et en conséquence, les profits à court terme étaient ce qui comptait. On a foré des puits et produit du pétrole le plus rapidement possible sans se soucier de la conservation des réservoirs d'énergie. Le résultat net, c'est que cette énergie a été perdue et qu'on n'a pu en récupérer qu'une petite fraction, soit 5 p. 100 du pétrole dans les réservoirs.

Le gaspillage, vous le verrez, se définit de plusieurs façons. Les deux principales sont le gaspillage matériel et le gaspillage de l'énergie de réservoir. Il y a aussi le défaut d'utiliser de bonnes méthodes de récupération artificielle ou secondaire ou supplémentaire. Ceci peut permettre la récupération des couches sous-jacentes de pétrole et de gaz ce qui est important sur le plan économique et le plan

[*Text*]

able wherever possible to institute secondary recovery methods at the earliest possible date.

However, there must, of course, be some limit on this because theoretically one could recover 100 per cent of the oil or the gas in the reservoir, but the cost of doing so might be more than the value of the product. So there will have to be a balance between instituting assisted recovery methods and the economic costs of doing so.

The next concept contained in the bill is that of pooling. Under the regulations mentioned in Clause 12 the Minister will be able to set spacing within a known oil or gas field; that is, he will set the size of area which is to be drained by one well. In some gas fields, such as at Pointed Mountain, it might be something like 1,000 acres.

It is possible that within that 1,000 acres there may be more than one owner of the oil and gas rights. They might be split by a section line into halves, although it does not really matter how much. This would mean that one of the owners could drill a well and start draining and because only one well per spacing unit would be allowed the other owner would not be allowed to drill a well.

This clause provides for pooling of the two or three or more portions of a spacing unit into one pool unit for drilling a producing well.

First of all, it may be done voluntarily. Of course, there is a need to make sure that the administration of the Department knows how it is being done and how to collect the royalty, and so on. But the essence of the clause is that it provides that if the owners of the rights cannot get together and do it voluntarily it may be done compulsorily; and I would emphasize here—because there can be a slight confusion between pooling and unitization—that this Bill does provide for compulsory pooling once it comes into effect. I might add, again, that compulsory pooling is quite standard in the western provinces.

The next portion of the Bill has to do with unitization. This, we hope, is one of the, shall we say, special concepts contained in this Bill applying to the North. When I had the opportunity and pleasure of appearing before this Committee previously I think I emphasized the need to develop low-cost oil in the North. The thought here is that one of the methods of achieving low-cost oil will be through unitization, and particularly through early unitization. In this way it is hoped that it will be possible to operate an oil or a gas field as though it were owned by one organization only.

[*Interpretation*]

du génie. Il est opportun quand c'est possible d'établir des méthodes de récupération secondaire aussitôt que possible.

Cependant, il y a des limites à cela, car en théorie, on pourrait récupérer 100 p. 100 du pétrole et du gaz mais le coût pourrait être plus élevé que la valeur du produit. Par conséquent, il doit y avoir un équilibre entre les méthodes de récupération secondaire et les possibilités économiques.

Le concept suivant dont parle le projet de loi est celui de la mise en commun. Au terme des règlements mentionnés à l'article 12, le ministre pourra établir les dimensions de la superficie qui pourra être siphonnée par un même puits. Dans certaines régions comme Pointed Mountain, cela pourrait être de l'ordre de 1,000 acres.

Il est possible que dans ces 1,000 acres, il y ait plus qu'un propriétaire des droits de pétrole et de gaz. Cela peut être divisé de moitié par exemple, quoique cela n'ait pas grande importance. Cela voudrait dire qu'un des propriétaires pourrait creuser un puits et commencer le drainage et comme il ne peut y avoir qu'un puits par unité d'espacement, l'autre propriétaire ne pourrait pas en faire autant. Cet article prévoit la mise en commun de deux ou trois portions d'une superficie en une seule unité aux fins de parage d'un puits d'exploitation.

D'abord, cela peut se faire volontairement. Il faut naturellement que le ministère sache dont cela peut se faire et comment les choses se passent et comment percevoir les redevances et ainsi de suite. L'article prévoit que si les propriétaires ne peuvent pas s'entendre à l'amiable, cela peut se faire de façon obligatoire. Je souligne ce fait ici car il peut y avoir confusion entre mise en commun et ce qu'on appelle la mise en unité. Le bill prévoit la mise en commun obligatoire. Ensuite, la mise en commun obligatoire se fait très couramment dans les provinces de l'Ouest.

La partie suivante porte sur la mise en unité. C'est un concept spécial qui s'applique exclusivement au nord. Lorsque j'ai eu l'occasion de comparaître ici déjà, j'ai signalé la nécessité de développer des puits à bas coût dans le nord et cela peut se faire par la mise en unité, surtout si cette mise en unité se fait tôt. On espère de cette façon qu'il sera possible d'exploiter un gisement comme s'il était la propriété d'une seule organisation.

[*Texte*]

Under these circumstances, the number of wells drilled can be kept to a minimum. They can be kept to the minimum initially to meet the market available; and, finally, if the market available exceeds the productive capacity of the field they can be kept to the minimum needed to develop that field.

This has not always been the case. To the south of us, in the United States, very often far too many wells have been drilled; and even in Western Canada, in the early days—and perhaps even the not-so-early days—in many fields often too many wells were drilled. This is easy to say in hindsight. What we are trying to do is to benefit from hindsight and make sure that the result in the North is the minimum number of wells.

It is obvious, of course, that if more wells than are required are drilled the income from the oil and gas pool has to pay for this additional surplus capitalization.

The unitization provisions therefore provide, first of all, for voluntary unitization; and we hope that as they are written they will encourage early voluntary unitization.

Second, they go on to provide that where waste is thought to be occurring and where the committee, after hearing of the situation, is of the opinion that waste is occurring, a field can be closed down and production stopped unless the operators get together and unitize the field.

There are clauses which it is suggested in the Bill here should not be placed into operation immediately, that where 65 per cent of the oil and gas rights owners in a pool feel that there should be unitization, the remaining 35 per cent can be forced to unitize. It is hoped here, of course, that the industry will see the wisdom of these measures and will therefore generally unitize without needing to bring those particular sections into operation.

Finally, the rest of the Bill, clauses 38 to 57, provides for appeals to the courts, appeals to the Governor in Council, authority for inspectors, and offences for failure to comply with various orders that are authorized under the Act.

I think perhaps I should mention here, since the subject was raised, the suggestion with respect to pro-rationing, and whether it is thought that pro-rationing would be undesirable in the Northern situation. Pro-rationing has several effects and while it may be appropriate in certain circumstances it may not be appropriate in others.

I think we have to come back once again to the realization of where Northern oil is likely to compete for its main market, and we sug-

[*Interprétation*]

Dans ces circonstances, le nombre de puits forés pourra être maintenu au minimum initialement pour répondre aux besoins du marché et enfin si les marchés dépassent la productivité de ce champ, on pourra maintenir ce nombre au minimum nécessaire pour le développer.

Cela n'a pas toujours été le cas. Aux États-Unis, très souvent, on a creusé beaucoup trop de puits et même dans l'Ouest au début, il n'y a même pas si longtemps, on en a souvent creusé beaucoup trop. Il est facile de regarder en arrière. Nous cherchons à profiter de l'expérience acquise sous ce rapport et c'est pourquoi nous voulons réduire le nombre de puits au minimum.

S'il y a plus de puits qu'il n'en faut, le revenu de la mise en commun du gaz et du pétrole devra payer ce supplément de capitalisation.

Les dispositions touchant la mise en unité prévoient donc la mise en unité à l'amiable; et nous espérons que leur teneur encouragera cette mise en unité.

Deuxièmement, on prévoit aussi que là où on croit qu'il y a du gaspillage et là où le Comité, après des audiences, est d'opinions qu'il y a gaspillage, un gisement peut-être fermé et la production peut être interrompue à moins que les exploitants réunissent le champ.

Il y a des articles qui, d'après le projet de loi, ne devraient pas entrer en vigueur immédiatement, et qui prévoient que lorsque 65 p. 100 des propriétaires des droits de pétrole et de gaz dans un gisement estiment l'union nécessaire, les 35 p. 100 restants peuvent être forcés d'accepter cette décision. On espère que l'industrie s'apercevra de l'intérêt de l'union et qu'en conséquence, elle pourra se faire sans qu'on ait besoin d'avoir recours à ces articles.

Enfin, le reste du projet de loi, de l'article 38 à l'article 57, porte sur les appels aux tribunaux et au gouverneur en conseil, sur les pouvoirs des inspecteurs et les peines encourues en cas d'infraction. Je pourrais peut-être mentionner ici, puisque le sujet a été soulevé, la proposition concernant le système du pro-rata afin de savoir si l'on s'accorde à penser que l'application n'en serait pas appropriée dans le Nord. Cette méthode aurait plusieurs effets et peut être appropriée dans certaines circonstances, tandis que dans d'autres, elle ne l'est pas. Il nous faut savoir, une fois de plus, où le pétrole du Nord pourrait le mieux se vendre. Je pense que les principaux marchés, au moins pour une partie de ce pétrole, se trouvent outre-mer, peut-être en Europe,

[*Text*]

gest that Northern oil is going to have to compete in part at least overseas, perhaps in Europe, Pperhaps on the Pacific rim.

It is therefore going to have to be priced to meet world competition.

As I think I have suggested before, we feel fairly confident that if it is priced to meet world competition the increase in world demand is such that we will not have to displace anyone else's oil to develop a market. The rate of increase is such that we will be able simply gradually to build into the ever-increasing market for oil consumption. However, this cannot be done if we have high cost oil. Frankly, it cannot be done if we have oil on the same cost basis as the North American oil at the moment.

Now, pro-rationing does several things. It guarantees anyone who drills a well that he will share in a part of the market, but I am afraid that what it also does—and I think this is inescapable—at least in the past is to lead to quite extensive over-drilling. It is a sort of circular action because if you have pro-rationing you are guaranteed that if you buy a piece of Crown reserve you will have an opportunity to produce your well and therefore you can afford to pay a certain amount for the Crown reserve. In the circular situation you get to a very difficult position which has an upward pressure on price, and it is the thought here that pro-rationing would not be appropriate in the North.

We must, of course, protect the equity of each owner of an oil and gas pool. Pooling and unitization will ensure that no one owner of part of a field or part of a unit, can produce oil at the expense of any other owner in the field. In other words, let us take a simple case where there are two owners in an oil and gas pool and one has developed a market and one has not. The one who had developed a market could in theory of course, produce his oil and take what is called the flush production from the field, leaving the other fellow to take his share of the oil, perhaps, but having to use assisted recovery and therefore having a less profitable operation.

The unitization concept we believe will ensure that, if you like, there is prorationing within a field, but the Bill does not contain provision for pro-rationing between fields.

I think, Mr. Chairman, that perhaps I have covered in very general terms the basic compartments of the Act and I can sit back now.

[*Interpretation*]

peut-être aux limites du Pacifique. Il faudra donc établir des prix concurrentiels pour ce pétrole.

Comme je l'ai dit auparavant, nous sommes presque certains que si le pétrole du Nord est offert à des prix concurrentiels, nous n'aurons à éliminer du marché aucune concurrence pour le vendre, compte tenu de la demande considérable de pétrole qui existe dans le monde. L'augmentation de la demande est tellement rapide que nous pourrions pénétrer graduellement le marché constamment plus large du pétrole.

Cependant, cela ne pourra pas se faire si notre pétrole coûte trop cher ou si le prix en est au niveau des prix actuels en Amérique du Nord.

Le système du prorata a plusieurs effets. D'abord il garantit à quiconque creuse un puits qu'il aura sa part dans le marché. Cependant, ce système mène inévitablement, —ou du moins c'est ce qui s'est produit dans le passé—, au forage d'un trop grand nombre de puits. C'est une sorte de cercle vicieux. On achète une parcelle des réserves de la Couronne, on y fore un puits et l'on peut ainsi verser un certain montant pour la parcelle. On en arrive ainsi à une situation très difficile qui fait monter les prix. C'est cela qui porte à penser que le système du prorata ne serait pas approprié dans le Nord.

Nous devons évidemment protéger la part de chacun des propriétaires d'un gisement de pétrole et de gaz. La mise en commun et l'union assureront qu'aucun propriétaire d'une partie d'un gisement ne produira du pétrole aux dépens des autres propriétaires. Autrement dit, prenons le cas bien simple, de deux propriétaires d'un gisement de pétrole et de gaz. L'un a trouvé un marché, l'autre pas. Celui qui a trouvé un marché pourrait, en théorie, produire du pétrole et prendre le meilleur du puits, en quelque sorte, laissant à l'autre sa part de la production peut-être, mais lui laissant aussi l'obligation d'avoir recours à la récupération subventionnée et ainsi de réaliser beaucoup moins de bénéfices.

Le concept de l'union, croyons-nous, assurera l'application d'une sorte de système de prorata à l'intérieur de chaque champ pétrolifère, mais le projet de loi ne comprend pas de dispositions prévoyant l'application d'un système de prorata entre les différents champs.

Je crois, monsieur le président, que cela vous donne une idée générale des dispositions principales du projet de loi.

[*Texte*]

The Chairman: Do you have any questions? Mr. Cullen?

Mr. Cullen: First of all, Mr. Chairman, as a person from southwestern Ontario where we have some knowledge of oil and gas production I welcome the fact that the government has seen fit to get in, in essence, on the ground floor, or almost in on the ground floor. What does disturb me, however, is that in southwestern Ontario land owners got into this business too late and, in my humble opinion, they got too little from the gas companies and the oil producing companies in that area.

I am wondering if this Bill is intended to cover items such as gas storage and the creation of gas storage wells, and are we going to take advantage of the thousands of dollars spent by people in southwestern Ontario who tried to get their rights by going to a tribunal such as the Ontario Energy Board? I have gone through this Bill and I have read words like "storage", but it seems to me to apply more from the viewpoint of storing oil rather than storing gas.

I have read your definition of "pool" in section 2 (j). It refers to a "reservoir containing or appearing to contain an accumulation of oil or gas". The Bill itself is entitled: "An Act respecting the production and conservation of oil . . .". Now, is the government giving any consideration, or is this legislation giving any consideration, to trying to defeat a suicide industry such as oil and gas production by setting up under ground gas storage wells?

Mr. Hunt: Mr. Chairman, the Bill does not provide, and did not intend to provide, for a gas storage situation. In the first place, of course, it was felt that for many years the North would be a producer of oil and gas rather than storing unless, of course, you think of storing in terms of the original reservoir when the oil or gas is found.

Also, perhaps I did omit to bring out one point which I am sure will be of interest. I should refer to the Canada Oil and Gas Land Regulations which were made pursuant to the Territorial Lands Act and which do provide, of course, for the disposal of the oil and gas rights. If I might, I would like to emphasize the separation. This Bill is meant to deal solely with production of oil and gas and conservation of oil and gas. To answer your question, sir, no, it does not provide for controlling storage of oil and gas in the manner in which it is undertaken in Ontario.

Mr. Cullen: All right. Now, apparently we are almost eliminating the middleman here as I understand it. Correct me if I am wrong,

[*Interprétation*]

Le président: Est-ce qu'il y a des questions? Monsieur Cullen?

M. Cullen: D'abord, monsieur le président, je voudrais dire qu'étant du Sud-ouest de l'Ontario, où on a certaines connaissances en matière de production de pétrole et de gaz, je suis heureux de voir que le gouvernement a décidé de commencer au bas de l'échelle ou presque. Mais, je voudrais dire que les propriétaires terriens du sud-ouest de l'Ontario se sont engagés trop tard dans cette sorte d'affaire. A mon avis, ils ont obtenu très peu des sociétés de pétrole et de gaz.

Je me demande si le projet de loi porte sur des questions telles que le stockage du gaz et la création de puits pour l'emmagasinage du gaz. Est-ce que nous allons bénéficier des milliers de dollars dépensés par les gens dans le sud-ouest de l'Ontario qui ont essayé de protéger leurs droits en appelant à la Commission de l'Énergie de l'Ontario. J'ai étudié ce projet de loi, j'ai lu des mots tels que stockage, mais il me semble que c'est plutôt l'emmagasinage du pétrole que du gaz. J'ai lu votre définition de gisement à l'article 2 j): il s'agit d'un «réservoir contenant ou paraissant contenir un dépôt de pétrole ou de gaz». Le projet lui-même s'intitule: *Loi concernant la production et la conservation du pétrole . . .*

Est-ce que le gouvernement songe ou est-ce que la Loi songe à l'installation de puits souterrains pour l'emmagasinage du gaz?

M. Hunt: Monsieur le président, le bill ne prévoit pas et n'entend pas prévoir des installations d'emmagasinage du gaz. Tout d'abord, on a pensé que pendant plusieurs années, le Nord produirait du pétrole et du gaz plutôt qu'il n'en emmagasinerait, à moins qu'il ne s'agisse des réservoirs naturels où le pétrole ou le gaz ont été découverts.

J'ai peut-être omis de signaler un point qui vous inéressera certainement. Je devrais parler des règlements concernant les terres qui renferment du pétrole et du gaz qui ont été édictés en vertu de la Loi sur les terres territoriales et qui traitent évidemment de l'usage fait des droits sur le pétrole et le gaz. Il y a une distinction à faire. Ce projet de loi n'a trait qu'à la production et à la conservation du pétrole et du gaz. Et, pour répondre à votre question, monsieur, il ne prévoit pas le contrôle de l'emmagasinage du pétrole et du gaz de la même façon qu'au sud-ouest de l'Ontario.

M. Cullen: Très bien. Il me semble qu'on élimine les intermédiaires, si je comprends bien—veuillez m'interrompre si je me trompe.

[*Text*]

but when the company goes in it is described as owner, although owner is not defined in your Act. When you are talking about an owner, are you talking about an oil and gas company owning the oil and gas rights or owning the property itself?

Mr. Hunt: No; the owner in this case is just the owner owning the oil and gas rights.

Mr. Cullen: Is that the right to produce or is it the right to store?

Mr. Hunt: That is right to produce. In other words, we have not disposed of any rights to store in the northern territories. In fact, I shall have to say there are no regulations whereby such a right at this time could be disposed of.

I am sure you are aware of this but there is a general concept here—the separation between, if you like, the mines and the minerals. Under the Canada Oil and Gas Land Regulations we give the right to an individual or an oil company to explore for and to produce his oil and gas. By doing so he leaves a void behind and, in the term of oil problems this is the mine and we have not, as it were, leased to him the mine; we have leased to him only the mineral or the right to produce the mineral.

Mr. Cullen: So when you call a company an owner you are calling it in essence a producer.

Mr. Hunt: This is really what it amounts to, yes.

Mr. Cullen: Now, another thing concerns me if you have not made provision in this Act for storage. One of the features of gas storage is that you leave a cushion gas or cushion gas pressure in a well. If an individual or a company has the right to produce they can produce it down to 33 pounds per square inch wellhead pressure; I know they can get it down a hell of a long way. Will regulations be passed to curb that kind of production so that they do not go below what would be considered a good cushion gas pressure?

Mr. Hunt: Yes, this can be done under this Bill.

Mr. Cullen: Well, will it be done?

Mr. Hunt: Yes.

Mr. Cullen: It will be done. When an individual reaches this particular cushion gas pressure will he then be told, you have produced as much as you can from this pool and your right or licence or permit has now expired; will that be provided for? Would you give some thought to putting that in? Let me put it that way.

[*Interpretation*]

On parle de propriétaire lorsqu'il s'agit d'une société, et le mot «propriétaire» n'est pas défini dans la loi. Lorsque vous parlez de propriétaire, s'agit-il d'une société qui détient les droits sur le pétrole et le gaz ou qui possède le terrain?

M. Hunt: Le propriétaire est propriétaire des droits sur le pétrole et le gaz.

M. Cullen: S'agit-il des droits de production ou des droits d'emmagasinage?

M. Hunt: Le droit de production. Nous n'avons pas décidé des droits d'emmagasinage dans les Territoires. Et il n'y a aucun règlement concernant de tels droits en ce moment.

Vous le savez certainement, mais il y a la question de la distinction entre les mines et les minéraux. En vertu des règlements concernant les terrains renfermant du pétrole et du gaz, nous donnons à un particulier ou à une société pétrolière le droit de prospecter et de produire du pétrole et du gaz. Les terrains de prospection ou de production, qui constituent la mine, si l'on veut, ne lui appartiennent pas. Nous ne lui louons pas la mine mais seulement le droit de l'exploitation.

M. Cullen: Ainsi, lorsque vous qualifiez une société de propriétaire, c'est de producteur que vous voulez parler, en fait.

M. Hunt: C'est bien cela, en substance.

M. Cullen: Autre chose qui me préoccupe, si la loi ne prévoit pas d'emmagasinage. L'un des aspects de l'emmagasinage de gaz consiste à maintenir une pression de gaz minimum dans le puits. Un particulier ou une société ne peut exploiter le gaz si la pression tombe à moins de 300 livres par pouce carré à l'orifice du puits. Or je sais que plusieurs sociétés le font. Y aura-t-il des règlements pour empêcher ce genre de production afin que l'on n'aille pas au-dessous d'un certain minimum de pression?

M. Hunt: Oui, cela peut se faire, en vertu des dispositions du projet de loi.

M. Cullen: Est-ce que ce sera fait?

M. Hunt: Oui.

M. Cullen: Ainsi, si une société atteint ce minimum de pression, lui interdira-t-on de continuer à exploiter son gisement? Penserez-vous à ajouter cela, si je puis m'exprimer ainsi?

[*Texte*]

Mr. Hunt: Yes, if I might put it this way. Whereas in Ontario the minimum pressure that a local pipeline can take is quite low, in the North where we are bound to be dealing with long distance transmission lines for many, many years, the minimum pressure that a line can take is very much higher and you get into compressor costs. So, in fact, I could answer from a practical point of view that I am confident the very low, if you like, cushion pressure that you are concerned about cannot be reached economically when feeding into a major pipe line.

Mr. Cullen: You feel that production will not go that low that you will always have your cushion gas?

Mr. Hunt: Yes, because compressor costs go up so much that you do not get down really near that very low point. I think you do not get below 500 pounds a square inch; it is too costly.

Mr. Cullen: Well, it just seems to me that in southwestern Ontario when an individual signed an oil and gas lease he always was under the impression he was signing a lease for oil and gas production and what we call the small printed insurance policy usually contained a clause which included storage. The fellow who leased at 50 cents an acre until production, when he got a royalty, all of a sudden found that lease bound him to the storage rights which were worth many millions of dollars.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): I think we should make a distinction here. The situation which has prevailed in Ontario cannot prevail in the North because all the land is Crown land and all the transactions will be between the Crown and the producer.

Mr. Cullen: Well, this is what I want to see, pros dealing with pros. Make it quite clear that when they get the permit for oil and gas production they do not get a permit for gas storage.

Mr. Hunt: I can assure you on that point. The oil and gas lease does not include storage. If you like, a lease is not a lease for storage.

Mr. Cullen: Thank you very much.

Mr. Southam: Mr. Chairman, I would like to compliment the witness on his very com-

[*Interprétation*]

M. Hunt: Dans l'Ontario, la pression minimale que peut subir un pipe-line local est assez basse, tandis que dans le Nord, où il est presque assuré que nous traiterons de lignes de transmissions à longue distance pour bien des année à venir, la pression minimale que peut subir une ligne est beaucoup plus élevée, et il y a les frais de compresseur. Donc, du point de vue pratique, je suis confiant que la pression amortie qui vous préoccupe ne peut être atteinte, du point de vue économique, en alimentant une pipe-line principale.

M. Cullen: Vous croyez que la production sera toujours assez élevée pour vous fournir du gaz sous pression amortie.

M. Hunt: Oui, parce que les frais de compresseur s'élèvent tellement que vous ne vous approchez pas vraiment de cette pression peu élevée. Je pense qu'elle n'est jamais inférieure à 500 livres au pouve carré. C'est trop dispendieux.

M. Cullen: Il me semble qu'ayant traité de la question comme on l'a fait dans le sud-ouest de l'Ontario, un individu, lorsqu'il signait un bail, avait l'impression qu'il signait le bail pour la production du gaz et du pétrole. Et ce que nous appelons «l'imprimé en petits caractères» d'une police d'assurance renfermait ordinairement un article qui incluait l'emmagasinage. Et celui qui avait signé le bail à 50 cents par acre jusqu'à la production, lorsqu'il a obtenu un droit d'exploitation, a tout à coup découvert que le contrat le liait aux droits d'emmagasinage qui s'élevaient à plusieurs millions de dollars.

M. J. A. MacDonald (Sous-ministre des Affaires indiennes et du Nord canadien): Je crois que nous devons faire une distinction ici. La situation qui a prévalu dans l'Ontario ne peut prévaloir dans le Nord parce que les territoires du nord sont les terres de la Couronne et toutes les transactions se feront entre la Couronne et le producteur.

M. Cullen: C'est ce que j'aimerais voir, des professionnels traitant avec des professionnels. N'oubliez pas de mentionner que, lorsqu'ils obtiennent le permis pour la production de pétrole et de gaz, ce n'est pas un permis d'emmagasinage?

M. Hunt: Un bail pour le gaz et le pétrole n'est pas un bail qui permet l'emmagasinage, je peux vous l'assurer.

M. Cullen: Merci beaucoup.

M. Southam: Monsieur le président, je voudrais féliciter le témoin de son étude très

[*Text*]

prehensive review of this Bill S-29. I want to ask one question for clarification. We presently have a National Energy Board and under Clause 4 of this Bill you are now setting up and Oil and Gas Committee. Is there any duplication of service or function here between the two bodies? Why is it necessary to set up this other committee?

Mr. Hunt: No, sir, there is not a duplication here. First of all, I think one might say that the National Energy Board under its present operation does not concern itself in any way with production at the wellhead; therefore, although, of course, it has very experienced and very capable engineers on its staff, as such, this is a field it does not deal with.

Second, the National Energy Board of course, will be hearing applications for pipe lines coming out of the North. I think, it is desirable to let it come into the situation at that stage and look at the applicant as it should any other pipe line, rather than being involved at what one might call the equivalent of the provincial stage, which is the production stage.

Finally, it was felt there will be many things which will be of importance locally or, if you like, from a quasi provincial point of view and that this committee would serve essentially the same function as I have mentioned that the Alberta Oil and Gas Conservation Board serves or if you like, the two conservation committees of British Columbia and Saskatchewan. So there is no duplication and I think the committee really will be serving a different function to that now served by the National Energy Board.

Mr. Southam: I have another question, Mr. Chairman, in relation to the membership of this committee. I think you have mentioned that a member could hold up to 5 per cent of shares or equity in gas and oil companies. Would this be a basis of any problem at all if, say, it was a big company with a lot of shares and a person might be influenced by this or what do you think of this suggestion?

Mr. MacDonald: Oh, I think, sir, that it is the desire to strike a compromise. We wanted to provide that there should be no conflict of interest but we did not want to rule out everybody who had the experience and knowledge of the industry. We thought that holding it at 5 per cent was a reasonable compromise. To say that they should have no interest whatsoever means you are deliberately ruling out the people who have something to contribute in this field in their knowledge.

[*Interpretation*]

compréhensive, du projet de loi S-29 et je voudrais poser une question pour clarifier la question. Nous avons un Office national de l'énergie et en vertu de l'article 4 du présent projet de loi, vous établissez un Comité du pétrole et du gaz. Y a-t-il chevauchement de juridiction entre les deux organismes? Pourquoi faut-il établir cet autre comité?

M. Hunt: Il n'y a pas de chevauchement ici. D'abord, on peut dire que l'Office national de l'énergie, comme il travaille maintenant, ne se préoccupe pas de production aux têtes de puits. Et, bien qu'il y ait des ingénieurs très expérimentés et compétents qui travaillent pour cet office, celui-ci comme tel, n'a pas de juridiction dans ce domaine. Ensuite, l'Office national de l'énergie, naturellement recevra des demandes de pipe-lines en provenance du Nord. Il est souhaitable que l'Office s'intéresse à la question dès ce moment-là et qu'il regarde le demandeur comme il étudierait n'importe quel pipe-line, plutôt que de s'intéresser à ce qu'on peut appeler le niveau provincial qui est le niveau de production. Enfin, on a le sentiment qu'il y aura beaucoup de questions qui seront d'importance locale ou, si vous préférez, d'un point de vue presque provincial et que ce Comité accomplirait essentiellement les mêmes fonctions que l'*Alberta Oil and Gas Conservation Board* ou les deux comités de conservation de la Colombie-britannique et de la Saskatchewan. Il n'y a aucun chevauchement et le comité remplirait des devoirs très différents de ceux que remplit l'Office national de l'énergie.

M. Southam: Monsieur le président, une autre question au sujet des membres du présent Comité. Un membre pourrait détenir jusqu'à 5 p. 100 des actions dans les sociétés de gaz ou de pétrole. Est-ce que cela présenterait un problème s'il y avait une grosse société possédant beaucoup d'actions, et qu'une personne pourrait être influencée par ce fait, ou que pensez-vous de cette suggestion?

M. MacDonald: On veut établir un compromis. Nous voulions prévoir qu'il n'y ait aucun conflit d'intérêt, mais nous ne voulons pas éliminer des personnes qui ont de l'expérience et des connaissances de l'industrie. Nous croyons que le fait de détenir 5 p. 100 des actions serait un compromis raisonnable. Dire que ces personnes ne devraient avoir aucun intérêt signifie que vous éliminez délibérément les personnes qui ont quelque chose à apporter dans ce domaine de leur connaissance.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): I would not mind 5 per cent of Prudhoe Bay.

Mr. MacDonald: Neither would I; I would not even mind 5 per cent of Panarctic.

The Chairman: Does that complete your questioning?

Mr. Southam: Thank you, Mr. Chairman.

The Chairman: I have a supplementary on Mr. Southam's question. The Department, then, is completely satisfied an interest of 5 per cent on the part of a member of the committee in an oil field or an oil producing area would not result in a possible conflict of interest? Are you satisfied with these provisions?

Mr. MacDonald: I suppose there is always at the very least, Mr. Chairman, theoretically a possible conflict of interest, but the considerations that were in the draftsmen's minds were those I indicated. It is very important that we have experienced people and these people are going to have interests. The judgment area is just how much interest is tolerable. We thought that 5 per cent was a reasonable or fairly low interest without ruling out a lot of people who might otherwise make a contribution. I think these interests will be known and they are, in effect, described as declared interests.

Mr. Hunt: If I may, Mr. Chairman, I should point to the fact that Clause 6 does specify that no member of the committee shall have a direct financial interest. In other words, he may not be a leaseowner or share directly in production. I think this would also exclude him from being a royalty owner or, what would have to be in the North, an override owner, but he could own shares.

Mr. Simpson: I have a supplementary, Mr. Chairman, in relation to Clause 6. May I ask if you are satisfied, whether that clause is comprehensive enough? I realize, as Mr. MacDonald has said, that they did not want to rule out people who had something to contribute and who had a thorough knowledge of the petroleum industry however, I assume that legally it is drawn up as well as it can be. It says:

> No member of the Committee shall have a pecuniary interest of any description, directly or indirectly, in any property in oil or gas to which this Act applies...

Now, I am wondering if that means this is an oil and gas property; I am wondering also

[*Interprétation*]

M. Thomson (Battleford-Kindersley): J'aimerais bien 5 p. 100 de Prudhoe Bay.

M. MacDonald: Moi aussi, j'aimerais même 5 p. 100 de Panarctic.

Le président: Est-ce que vos questions sont terminées?

M. Southam: Oui, merci, monsieur le président.

Le président: Une question supplémentaire à la question de M. Southam. Le ministère est tout à fait convaincu qu'un intérêt de 5 p. 100 détenu par un membre du Comité dans le secteur de production d'un champ de pétrole ou de gaz, n'engendrerait pas un conflit possible d'intérêt? Est-ce que vous êtes satisfaits de ces dispositions?

M. MacDonald: A tout le moins, monsieur le président, je présume que du point de vue théorique, il y a toujours un conflit d'intérêt possible mais les rédacteurs ont songé qu'il était très important que nous obtenions des gens ayant une expérience et ces gens, naturellement, détiendront des intérêts. Le domaine du jugement est de savoir quel est le niveau d'intérêt tolérable? Il nous a semblé que 5 p. 100 était un niveau tolérable si nous voulions avoir la contribution de beaucoup de gens ayant de l'expérience. J'imagine que ces intérêts seront connus et l'on pourrait dire que «ce sont des intérêts déclarés.»

M. Hunt: Monsieur le président, je dois signaler le fait que l'article 6 stipule qu'aucun membre du Comité n'aura un intérêt financier direct. En d'autres termes, il ne doit pas être un détenteur de bail ou participer directement à la production. Cela l'empêche également de détenir un droit d'exploitation, ou d'être ce qui serait dans le Nord un propriétaire outrepassant ses droits, mais il pourrait détenir des actions.

M. Simpson: Question supplémentaire, monsieur le président, relative à l'article 6, est-ce que je pourrais poser la question: êtes-vous sûrs que cet article englobe suffisamment des dispositions? Je constate, comme M. Macdonald l'a dit, qu'on ne voulait pas exclure l'apport de gens connaissant à fond l'industrie du pétrole; mais je conclurais que du point de vue légal, ceci est rédigé aussi bien que possible. Il se lit comme il suit:

> «Aucun membre du Comité ne doit avoir, directement ou indirectement, d'intérêt pécuniaire quel qu'il soit afférent à la propriété de pétroles ou de gaz auxquels s'applique la présente loi »

Je me demande s'il s'agit d'une propriété de gaz et de pétroles; je me demande aussi si

[*Text*]

if it excludes people who may be in the drilling business or who may be in the equipment business to provide oil rigs, transportation for the people drilling in that area, shipping and things of that nature. Does the Department feel that that clause is sufficiently comprehensive to take care of possible conflicts of interest in the fields I have mentioned?

Mr Hunt: Mr. Chairman, I think the provision would exclude nearly all these people because it excludes anyone owning shares in any company engaged in any phase of the oil or gas industry in Canada. Now, there is, of course, a possibility that, shall we say, the owner of a drilling rig who contracts it out is the individual owner, rather than a shareowner, but this is very unusual these days, I believe. It applies surely only to very small seismic shock oil rigs and even then generally the desirability of limited liability usually results in people operating in this business in the oil industry, even if they are providing a service incorporating themselves and, therefore, having a share relationship.

We did look at this and it was our judgment and the judgment of the legal draftsmen that this would operate really to exclude, for all practical purposes, people with interests in other phases of the oil industry greater than 5 per cent.

Mr. Simpson: I asked the question because I understand that the committee will have certain jurisdictions, possibly in relation to conflict as to leaseholders and one thing and another. In view of the fact that transportation of equipment into the North is such a heavy consideration, I just wonder if these aspects of the service industry supplying the leaseholders were considered when the stipulations with regard to Committee members were drafted.

Mr. Hunt: I think we had to look at it from the practical point of view of how it would actually be applied. We do feel that it will exclude anyone likely to have an individual interest in providing service. Of course, it will also exclude anyone having greater than 5 per cent interest in a company providing service. It is not quite the same situation in the North as it is, say, in Western Canada or in Ontario where you may have individuals who are providing a service as an individual rather than through a company. The cost of doing business particularly in oil and gas development is so high that we really cannot say this is likely to happen.

[*Interpretation*]

ceci exclut les personnes qui sont dans le commerce du forage ou du matériel, équipement pétrolier, le transport des gens forant dans cette région, l'expédition et les choses de cette nature. Est-ce que le ministère a le sentiment que cet article a suffisamment de portée pour résoudre les conflits d'intérêts qui pourraient se présenter dans le domaine que je mentionne?

M. Hunt: Monsieur le président, je crois que la disposition exclurait à peu près tous les gens que vous mentionnez parce qu'elle exclut toutes les personnes détenant des parts dans toute société participant à un palier quelconque de l'industrie pétrolière ou gazière du Canada. A présent, il y a la possibilité, dirons-nous, que le propriétaire de matériel de forage qui le vend par contrat est le propriétaire particulier, plutôt qu'un détenteur de parts, mais, c'est très rare de nos jours. Cela ne s'applique sûrement qu'aux très petits équipements pétroliers pour choc sismique, et même là, ordinairement, le désir d'une responsabilité limitée résulte en ce que des gens qui exploitent dans cette industrie du pétrole, même s'ils assurent un service, qui s'incorporent, et, par conséquent, qui ont un rapport mutuel.

Nous avons étudié l'affaire et nous avons jugé, de même que les rédacteurs du projet de loi, qu'on devait exclure, à toutes fins pratiques, les gens possédant des intérêts supérieurs à 5 p. 100, dans d'autres secteurs de l'industrie pétrolière.

M. Simpson: J'ai posé cette question car je crois savoir que le Comité aura une certaine autorité en matière de conflit, de location à bail, etc. Du fait que le transport d'équipement dans le Nord est une chose si importante, je me demande si on a tenu compte de ces aspects de l'industrie des services qui fournit les locataires, lorsqu'on a rédigé les stipulations relatives aux membres du comité.

M. Hunt: Nous avons dû étudier cela du point de vue pratique de sa mise en application. Nous sommes d'avis que cela exclura toute personne qui serait personnellement intéressée à assurer les services. Évidemment, ceci exclurait aussi toute personne qui détient un intérêt qui dépasse 5 p. 100 dans une société exploitant ces puits. La situation dans le Nord est tout à fait différente de celle que l'on trouve dans l'Ouest du Canada, ou en Ontario où il y aurait des personnes qui fournissent un service en tant qu'individu plutôt que par l'intermédiaire d'une société. Le fait de se lancer en affaire surtout dans les pétroles est tellement coûteux que nous n'entrevoyons pas que des individus s'y intéressent.

[*Texte*]

Second we are really only talking about two people. I think that the two people we are talking about surely would be very well known for their experience and knowledge in the oil business. I rather doubt if those people would be operating shall we say, a sort of personal type of service in the North. It is very difficult to conceive that they would. In theory, I suppose it is possible, but I would suggest it is 99 per cent unlikely. Then one has to draw an arbitrary line somewhere.

The Chairman: Do you have a supplementary, Mr. Kaplan? Do you have a further supplementary on this Mr. Simpson?

Mr. Simpson: No. I have further questions but I did break in with a supplementary.

Mr. Kaplan: Mr. Chairman, May I ask if the witnesses think it would be desirable for the committee members who might have a share interest of 5 per cent in a particular company to excuse themselves from hearing matters that relate directly to the company of which they are a shareholder?

Mr. MacDonald: They are ruled out. No member of the committee shall have a pecuniary interest of any description directly in any property in oil and gas to which this act applies. The 5 per cent refers only to shares in a company engaged in any phase, a rather more general restriction.

Mr. Kaplan: Well, suppose there is a pooling arrangement or unitization being imposed on two companies and one of the committee members owns 5 per cent of the shares of one of the companies, do you think he ought to excuse himself from hearing that particular matter?

Mr. Hunt: This could be a possible situation.

Mr. MacDonald: Tradition certainly suggests that a member having any sort of direct interest in a matter under discussion declares this and really does not participate. I think that would be a fair interpretation.

Mr. Hunt: I would like to suggest that the situations when this might arise are likely to be very, very rare.

Perhaps the way to approach this, after all the Committee will be operating in public and will be under public scrutiny, would be to see, if you like, the deportment of the committee members. It will be very quickly apparent whether something further should

[*Interprétation*]

Deuxièmement, nous ne parlons que de deux personnes. Et je crois que les deux personnes dont nous parlons seraient sûrement reconnues pour leur expérience et leur connaissance de l'industrie pétrolifère. Je doute que ces gens exploiteraient une sorte d'entreprise personnelle dans le Nord. En théorie il est possible, mais je dirais que c'est 99 p. 100 improbable. Par conséquent, il s'agit, à un moment donné, de prendre une décision une fois pour de bon.

Le président: Avez-vous une question supplémentaire à poser, monsieur Kaplan? Monsieur Simpson, avez-vous une autre question à ce sujet?

M. Simpson: Non, j'ai d'autres questions, mais j'ai interrompu avec mes supplémentaires.

M. Kaplan: Monsieur le président, je voudrais poser une question. Est-ce que le témoin pense qu'il serait préférable que les membres du comité qui auraient peut-être une part d'intérêt de 5 p. 100 dans une compagnie s'excusent lorsqu'il sera question de causes impliquant une société dont ils sont actionnaires?

M. MacDonald: Cette possibilité est écartée. Aucun membre du Comité n'a le droit de détenir des actions de quelque sorte dans une société pétrolifère à laquelle cette loi s'applique. Le 5 p. 100 ne porte que sur les actions d'une société quelle que soit l'activité à laquelle elle se livre; une restriction qui est trop générale.

M. Kaplan: Eh bien, supposons qu'il y ait une mise en commun des actions, ou qu'une union soit imposée à deux sociétés, et qu'un des membres du comité possède 5 p. 100 des parts dans une des sociétés, doit-il selon vous s'excuser de faire partie du comité qui entendra la question?

M. Hunt: C'est une situation possible, oui.

M. MacDonald: Certainement la tradition veut qu'un membre ayant un intérêt pécuniaire quelconque dans une question en discussion, le déclare et se retire de la réunion. Je pense que l'explication est assez claire.

M. Hunt: Permettez-moi de dire que des situations de ce genre ne se présentent que très rarement.

Étant donné que le Comité siège sous les yeux du public, il serait préférable, si je puis dire, de surveiller le comportement des membres du Comité. On saura bien vite si d'autres mesures doivent être prises. Nous nous préoccupons du fait que si nous établissons des

[*Text*]

be done. Our concern here is that,—we thought about this quite a lot—with anything more stringent we start to exclude the very people we want to bring in. For example, first of all we would have to say that any committee member having any interest in any matter being heard must declare it. Well, fair enough, but any oil man that we would hope to bring in on this committee is likely to have shares in a number of oil companies; not 5 per cent, I think, but he might have 1/100th of 1 per cent. So, at what point do we say that we are getting too close to the 5 per cent and that he must not sit on that particular hearing? We would have to be arbitrary again. Would we say that at 4.5 per cent he may sit on the hearing and at 5 per cent he must excuse himself? We did go through this sort of process. I suggest the best way would be to see how it works in practice, see if anything further is required; I frankly doubt it.

The Chairman: Thank you, Mr. Hunt.

Mr. O'Connell: May I ask a supplementary?

The Chairman: A supplementary; yes.

Mr. O'Connell: Mr. Chairman, this clause leaves me a little uneasy. I would like to perhaps reserve the right to come back to it later on when we learn more of the functions of this particular committee. It seems to me that it is going to function in part as an appeal board or a court of appeal from the commissioner of conservation. In that sense if it is to hear appeals, I think it is pretty important that it not have in any way interests involved in the activities. I am not satisfied that Clause 6 really excludes sufficiently the possibility of conflict of interest and I think it is terribly important that it do so, particularly in the light of Clause 5 where I think maybe the trouble really begins to emerge, because Clause 5 lays it down as mandatory that:

> (1) The Governor in Council shall appoint as members of the Committee only such persons as appear to the Governor in Council to have specialized, expert or technical knowledge of oil and gas.

I wonder if that is a very wise limitation in the appointment process when indeed that committee will have to exercise a general judgment as to the public interest in hearing appeals from conservation authorities and ought to have people with a rather broad concept of the public interest.

[*Interpretation*]

mesures plus strictes, nous finirons par exclure même ceux que nous convoquons devant le Comité. A titre d'exemple, tout d'abord, nous devrons insister à ce que tout membre du Comité qui serait pécuniairement intéressé à un sujet à l'étude, doit le déclarer. Tout ça, c'est très bien, mais toute personne de l'industrie pétrolifère qui serait appelée à témoigner devant le comité, détient probablement des actions dans un certain nombre de sociétés de pétrole; non pas 5 p. 100 mais disons 1/100e de 1 p. 100. Par conséquent, quelle est la limite que nous jugerons être assez proche du 5 p. 100 et qui n'habilite pas cette personne de témoigner devant le comité? Encore une fois, notre décision devra être arbitraire. Dirions-nous qu'à 5 p. 100 il devra quitter la salle? Nous avons déjà eu ce genre de problèmes. Je pense que le meilleur moyen serait de voir si c'est praticable, de voir si l'on peut trouver un autre moyen. A vrai dire, j'en doute fort.

Le président: Merci, monsieur Hunt.

M. O'Connell: Puis-je poser une question supplémentaire?

Le président: Une supplémentaire, oui.

M. O'Connell: Cet article m'inquiète beaucoup. Je voudrais me réserver le droit d'en discuter plus tard lorsque nous serons un peu plus renseignés sur les fonctions du comité. Il me semble que le comité fonctionnera en partie comme un comité d'appel ou comme une cour d'appel du commissaire en conservation. Et dans ce sens-là, si c'est dans le but d'entendre des appels, il est important qu'il n'y ait aucun intérêt en jeu dans les travaux. Je ne suis pas très sûr que l'article 6 exclut suffisamment la possibilité d'un conflit d'intérêt et je pense qu'il est très important que l'article exclue cette possibilité, surtout en ce qui concerne l'article 5 où le problème, à mon avis, commence à devenir évident, car l'article 5 prévoit que:

> (1) Le gouverneur en conseil ne nomme au comité que les personnes qui lui paraissent avoir des connaissances de spécialiste, d'expert ou de technicien en matière de pétrole ou de gaz.

Je me demande si cette restriction est très sage dans le processus de nomination au comité, lorsque ce comité devra juger quel est l'intérêt public. Il devra entendre les appels des autorités de conservation et choisir des personnes ayant des concepts assez larges de ce qui constitue l'intérêt public.

[*Texte*]

To my mind, that would be as important as, perhaps more important than, specialized or technical knowledge. Surely people with that kind of technical and special and expert knowledge could appear before a committee to argue the case, but you need people with a general judgment on that committee. When you take Clause 5 where it is mandatory to appoint only highly "specialized" and therefore involved people with Clause 4 where "no more than three of" them, which in other words, may be only one or two from the public service, I think it seems unduly weighted in the direction of persons whose judgment may be coloured by the fact that they are rather deeply involved in one way or the other in the industry.

Clause 6 perhaps should be tougher in that respect. Either that or Clause 5 should be reduced in its requirement. I am not too sure that Clause 5 is a wise section. They might have interests in other companies not operative up there and have the oil industries point of view, which should be on the board, but I would like to think perhaps more about this and hear more discussion of it, Mr. Chairman. It just leaves one a little uneasy, I think.

Mr. MacDonald: Mr. Chairman, if I may just respond as very much more of a layman than either Mr. Hunt or Dr. Woodward, you have touched on the essence of the problem, Mr. O'Connell. The committee, if it is not an expert committee, will have very little value, unfortunately. You touched on it earlier when you said that one will have to see what the committee is going to do, and I think this is really the essence of it.

The philosophy of this Bill in this part and in the related parts, is to secure the working co-operation of the industry under the law with latent compulsory provisions to make it operative and necessary to modes which would otherwise only be settled in courts of law with great difficulty and great delay. These, Mr. Hunt touched on earlier in unitization, pooling, judgments with respect to retention of energy and the other questions which have been raised this morning of a technical nature. The essence of it is that in accepting this the industry, I think, has to have confidence in the technical competence of this committee and that is why Clause 5 does state so deliberately that they have to have specialized, expert or technical knowledge of oil and gas. This is not a generalized appeal section on broad questions of equity,

[*Interprétation*]

A mon avis, cela serait tout aussi important et peut-être plus important que des connaissances spécialisées. Les gens avec ce genre de connaissances techniques pourraient sûrement comparaître devant un comité pour défendre la cause, mais il s'agit d'avoir, dans ce comité, des gens qui puissent émettre des opinions d'ordre général. Lorsque vous comparez l'article 5 où il est obligatoire de ne nommer que des membres hautement spécialisés, et par conséquent, des personnes qui ont le sens des responsabilités, avec l'article 4 où pas plus de 3 membres, ce qui, en d'autres termes, peut vouloir dire une ou deux personnes de la fonction publique, il me semble que c'est trop en faveur de personnes dont le jugement peut être influencé par le fait qu'ils sont plutôt pécuniairement intéressés, d'une façon ou d'autre dans l'industrie. L'article 6 est peut-être plus rigide à ce point de vue.

C'est cela, ou l'article 5 devrait être assoupli. Je doute fort que l'article 5 du bill soit indiqué. Ils auraient peut-être des intérêts en d'autres sociétés qui ne travaillent pas dans cette région, ainsi que le point de vue de l'industrie pétrolifère, point de vue que nous devrions connaître, mais je préfère y penser plus longtemps et entendre plus d'échanges à ce sujet, monsieur le président. Tout cela me laisse songeur.

M. MacDonald: Monsieur le président, puis-je exposé mon point de vue, moi qui suis encore plus profane à ces questions que Monsieur Hunt ou le Dr Woodward. Vous êtes allé au nœud du problème, Monsieur O'Connell. Le Comité s'il n'est pas un comité de spécialistes n'aura guère de valeur malheuresement. Vous avez abordé le sujet lorsque vous avez dit: «Voyons ce que le Comité fera», et je crois que c'est là le nœud du problème.

Le principe fondamental dont s'inspire le projet de loi, pour cette partie et les parties connexes, c'est d'assurer la collaboration de l'industrie, aux termes de la Loi avec des dispositions cachées obligeant à l'application et nécessaires à des modes qui, autrement, ne seraient réglés qu'en cour, avec grande difficulté et de nombreux délais. Monsieur Hunt a parlé de cela tout à l'heure en parlant des jugements d'unification, de mise en commun, portant sur la rétention de l'énergie, ainsi que d'autres questions techniques posées ce matin.

En somme, c'est qu'en acceptant cela l'industrie doit avoir confiance en la compétence technique de ce Comité. C'est pourquoi l'article 5 indique qu'ils doivent posséder des connaissances techniques sur le sujet. Ce n'est pas un domaine général où ils auront à se

[*Text*]

but technical questions of very real and direct interest to the participating owners of rights.

The Chairman: Mr. Hunt, do you wish to add something to that?

Mr. Hunt: Yes, just a little to the effect that also the committee, of course, will be, in part, performing, shall we say, an administrative function. It will be giving a poling order or it will be determining if waste is being permitted. It may not be an appeal, as such, it may be determination of the technical facts of the situation. The committee will be engaged in that sort of thing to a great extent.

Unitization, for example, is a very very complicated operation, wherein to determine what each individual's—whether that is a company or individual persons—share of a field is, you have to work out all the technical factors of the reservoir. You have to work out the land area—that is easy—but also the velocity, permeability and rate of flow, to give some weight to the actual estimate of oil in the ground.

I might say that when we were thinking in terms of preparing this Bill, of course, we had preliminary discussions with the industry to determine what their views might be and what sort of things they would like to see, and they suggested that if we were going to have a committee, they would certainly very much like to see people on it with technical knowledge.

Mr. O'Connell: Mr. Chairman, could I just comment again? I appreciate the need for the technical knowledge, but I think it is weighted unduly in that direction as a mandatory requirement. If one looks at subclause (3) of Clause 5, there is the provision for staff.

> (3) The Minister shall provide the Committee with such officers, clerks and employees as may be necessary for the proper conduct of the affairs...with such professional or technical assistance...

I would think the requirement of technical capacity might be covered somewhat in subclause (3) to relieve the requirement in subclause (1), that only those persons may be appointed. I think we will ponder this question as we look at the functions. For example, in looking ahead at Clause 13, subclause (1) I notice where under certain conditions a person may be deemed to be committing waste and, therefore, guilty of an offence.

[*Interpretation*]

prononcer sur des questions d'intérêt commun, mais c'est une activité qui intéresse directement les propriétaires des droits.

Le président: Vous désirez ajouter quelque chose, M. Hunt?

M. Hunt: Oui, je voudrais simplement mentionner que le Comité aura aussi en partie des fonctions administratives. Il pourra émettre des ordonnances de mise en commun, ou déterminer s'il y a gaspillage. Il se peut qu'il ne soit pas question d'un appel mais simplement le déterminer les faits réels techniques de la situation. C'est surtout ce genre de travail qu'aura à accomplir ce comité. L'unification, par exemple, est une opération extrêmement compliquée.

Pour déterminer quelle est la part de chacun des particuliers, qu'il s'agisse d'une compagnie ou de particuliers il faudra déterminer tous les facteurs techniques du réservoir: c'est-à-dire, la superficie du terrain en cause, la perméabilité du sol et le débit afin de donner une certaine valeur aux estimations des quantités d'huile contenues dans le sol. Lorsque nous avons commencé à penser à préparer ce projet de loi, nous avons eu des rencontres préliminaires avec l'industrie afin de connaître ses vues et on nous a proposé que, si nous voulions un comité, il faudrait que les membres de ce comité soient compétents.

M. O'Connell: Maintenant, monsieur le président, si je puis faire un autre commentaire, je me rends compte de la nécessité de connaissances techniques, mais je crois qu'on insiste trop là-dessus, en faisant de cela une disposition exécutoire. A l'alinéa 3 du paragraphe 5, on prévoit le personnel du Comité:

> (3) le Ministre affecte au Comité les fonctionnaires, commis et employés qui peuvent être nécessaires à la bonne marche des affaires du Comité...de même que l'assistance technique...

Je crois que les besoins sur le plan technique sont couverts à l'alinéa 3, ce qui pourrait permettre de supprimer ce qui figure au paragraphe 1 à ce sujet. Je crois que nous pourrons revenir là-dessus lorsque nous en serons aux fonctions. Par exemple, à l'article 13, (1), je remarque que, dans certaines circonstances, une personne peut être considérée comme ayant fait du gaspillage et de ce fait coupable d'infraction.

[*Texte*]

> ...no prosecution may be instituted for such an offence without the consent in writing of the Committee.

Therefore, it has a very very important function in the exercise of the regulations and I think we should put it in the position of being absolutely in the clear with respect to any conflicts of interest or too much dependence on its own expertise. I am not sold on the notion that only experts and specialists should be involved in broad judgments. I think that their expertise is an essential feature of the component of the judgment, but that the mind needs to be a more general one really. That is all I would say at the moment, Mr. Chairman.

Mr. Simpson: I would like to follow up very briefly on this same question, the question raised by Mr. Southam and some of the points that I brought out myself. I was a little concerned about the adequacy of the wording of Clause 6 and I must admit that I am in no position to judge the legality of it in any way. I am concerned about it, though, and I am more concerned now after listening to the answers provided in relation to Mr. Thomson's question. I realize the difficulty the Department is having in setting this up, but it has been admitted that there is and could be in certain cases a conflict of interest as Mr. Kaplan pointed out when he asked about the committee member absenting himself from the meeting or from voting. It has been admitted that such a situation might arise. If this is the case then I think every precaution should be taken to guard against any situation as far as can be foreseen.

This also takes us back to Mr. O'Connell's question about the committee being comprised of only specialized people who have expert or technical knowledge of oil and gas. This also, in my mind, leaves quite a lot to be desired because to begin with we have the Governor in Council, which is normal procedure I realize, deciding what people have this necessary specialized or expert technical knowledge of oil and gas. Therefore, it is just an opinion as to whether these people are expert or not.

I think both those clauses leave something to be desired and the Committee should enquire into these clauses a little further.

However, there is one other matter I would like to bring up and ask a question on. I noticed in the hearings of the Banking and Commerce Committee of the Senate that there was some concern shown in regard to the requirements for restoration of the land after drilling had been completed or a well

[*Interprétation*]

> ...aucune poursuite ne peut être intentée au sujet d'une telle infraction sans le consentement écrit du Comité.

Je crois que c'est là une fonction extrêmement importante dans l'application des règlements, et je crois que nous devrions prendre les moyens pour exonérer le Comité au cas où il surviendrait des conflits d'intérêts ou que le Comité dépendrait un peu trop de ses propres compétences. Je n'ai pas l'impression que seuls des experts et des spécialistes doivent rendre jugement dans les cas généraux. Je crois que leurs connaissances techniques sont essentielles à la prise de décision, mais il faut aussi que le jugement soit rendu par un groupe plus généralisé. C'est tout pour le moment, monsieur le président.

M. Simpson: J'aimerais poursuivre brièvement sur la même question, celle de M. Southam et certaines de mes questions également je me me demande si le libellé de l'article 6 est vraiment adéquat. Je ne suis pas en mesure, je l'avoue, de juger de la légalité de cet article, mais cela me préoccupe. Et, je suis encore plus inquiet après avoir écouté les réponses fournies à la question de M. Thomson (Battleford-Kindersley). Je me rends compte des difficultés qu'éprouve le ministère. Mais on a reconnu qu'il y a et qu'il est possible qu'il y ait dans certains cas des conflits d'intérêts, comme l'a souligné M. Kaplan lorsqu'il a parlé de la possibilité qu'un membre du Comité s'absente d'une réunion ou lors d'un vote. On a reconnu que ce cas peut se présenter. Par conséquent, il faut prendre toutes les précautions nécessaires pour se protéger dans tous les cas qu'il est possible de prévoir.

Ceci nous ramène à la question de M. O'Connell sur la possibilité que le Comité ne soit formé que de spécialistes possédant les connaissances techniques dans le domaine du pétrole et le gaz. Je crois que cela laisse à désirer parce que, pour commencer, c'est le gouverneur en conseil qui décide quels sont ceux qui ont ces connaissances spécialisées et techniques dans le domaine du pétrole et du gaz et c'est la procédure normale. C'est donc simplement une affaire d'opinion quant à savoir si ces gens sont des experts ou non.

Je crois que ces deux articles laissent à désirer et que le Comité devrait les étudier plus à fond. Quoi qu'il en soit, je voudrais poser une autre question. Dans les audiences du comité du Sénat sur la banque et le commerce, on semble s'inquiéter de la remise en état des terres après que le forage d'un puit est terminé ou que le puit a été recouvert. J'aimerais savoir si le projet de loi que nous étudions présentement prévoit d'une manière

[*Text*]

had been capped. I wonder if we could have some opinions on whether this is adequately covered in the legislation before us or whether an amendment will be necessary.

Mr. Hunt: That might come under the protection of the environment—I think that might be the omnibus term to use. We are faced today with a need as a result of the rapidly increasing activity in oil and gas, in mining, in forests and we hope, of course, in water—in other words, in all the major resources in the North—to introduce controls all designed to protect the environment at as early a stage as is possible.

The view taken, however, is that it would be preferable to look at this from the point of view of protecting the environment, rather than to look at it from the point of view of one narrow activity that might affect the environment.

Therefore, it would be far more preferable to introduce these control measures in such a manner that they would apply across the board to all, shall we say, activity—all resource activity—that is likely to take place in the North.

There is the other aspect of this, that is, that this Bill has as its basic concept the production and conservation of oil and gas as such and really those things incidental thereto. We suggest perhaps expanding the original intent to try to provide in this Bill for measures to protect the environment; it would seem far more appropriate under the Territorial Lands Act, which is the legislation providing for the disposal of all rights in land, the surface, the mineral rights, both oil and hard rock minerals, the forests and the water. This is the legislation under which the right to make the terminable grants is contained, and it would seem to us that it is better to tie the requirement to protect the environment for restoration within reason to the original grant than to legislation which has to deal really only with one physical aspect of one part of the grant.

Mr. MacDonald: To make it more direct, it is the Minister's intention to recommend the enactment of such comprehensive regulations, and these are under draft now, tied to the use of land for any purpose.

Mr. Simpson: Will they be incorporated in the Territorial Lands Act or some legislation of that nature?

Mr. MacDonald: Yes, under the Territorial Lands Act.

The Chairman: I would like to ask a supplementary to Mr. Simpson's question. Does

[*Interpretation*]

adéquate ce genre de situation ou s'il sera nécessaire de modifier le projet de loi.

M. Hunt: Je crois que ceci est compris dans la protection du milieu, c'est peut-être le terme général à utiliser dans ce cas. A l'heure actuelle, à cause de l'activité rapidement croissante dans l'exploitation du gaz et du pétrole, des mines, des forêts et nous l'espérons, de l'eau, en d'autres mots de toutes les ressouces du Nord, nous savons qu'il faut exercer un contrôle pour protéger le milieu aux diverses étapes de l'exploitation et cela le plus tôt possible. Cependant, nous croyons qu'il serait préférable d'étudier cette question sous l'angle de la protection du milieu plutôt que sous celui d'une seule activité restreinte pouvant avoir certains effets sur le milieu. C'est pourquoi nous croyons préférable d'établir des mesures de contrôle de façon qu'elles s'appliquent, de façon générale, à toutes les activités d'exploitation de ressources qui peuvent avoir lieu dans le Nord.

Il y a aussi un autre côté à cette question. Le bill repose sur le concept fondamental que la conservation et la production du pétrole et du gaz sont en cause. On pourrait peut-être étendre la portée initiale de la loi pour protéger en même temps le milieu. Cela pourrait se faire aux termes de la Loi sur les terres territoriales qui porte sur tous les droits, les droits de surface, les droits miniers—pétrole et minéraux durs—les forêts, les eaux et ainsi de suite. C'est, je crois, la loi qui prévoit l'octroi de subventions terminables. Il nous semble préférable de rattacher ces exigences de protection et de restauration du milieu au terrain même plutôt qu'à la loi qui ne porte que sur un aspect physique d'une partie de la subvention.

M. MacDonald: Le ministre a-t-il l'intention de mettre en vigueur des règlements très détaillés sur l'utilisation des terres à toutes fins.

M. Simpson: Cela relèverait de la Loi sur les terres territoriales, n'est-ce pas?

M. MacDonald: Oui.

Le président: J'aimerais poser une question supplémentaire à celle de M. Simpson. Ne

[*Texte*]

there not appear to be a valid argument in favour of having something specific in this Act on this subject of environmental control in order simply to reinforce in the minds of the people who are going to be reading this —the oil industry and the gas industry—the necessity for such controls?

Mr. MacDonald: We just run into the technical problem, Mr. Chairman, of fragmenting the legislative controls, because this Bill cannot go far enough to cover water, hard metal mining and other matters. The exploration phase, where probably more damage is done than in this particular phase, would all be left out. Therefore, you come down to the technical legislative point that it is better to have a comprehensive set where the industry knows exactly what they have to face.

If we have something in this Bill we run the risk of something falling between two stools. What we are trying to get here is something that will cover everything and we are going to move from the base of any utilization of land. It will become a condition.

Mr. O'Connell: Mr. Chairman, I would like to ask a supplementary in this area too, if I might. I agree generally that the Territorial Lands Act appears to be the better place for this kind of protection of the environment since it is more comprehensive, but I would like to ask the witnesses if there is a possibility that there could be a conflict between the requirements in the Act we are now looking at, the oil and gas act, and some proposed legislation amendments to the Territorial Lands Act for protection of environment.

Secondly, would the Territorial Lands Act sufficiently cover drilling operations over the water? One knows that there are great oil spreads sometimes from wells that get out of control in the water, such as the Santa Barbara situation. Particularly if that kind of thing occurred in the Arctic where the Eskimos live on the ice, and it had any effect on their food supplies, we would want to be assured that we had sufficient regulations to be absolutely certain on that point.

On my first point if I may elaborate just a little, I believe in reading this—and once again we are looking at this with a very quick glance, Mr. Chairman—that, if I am not mistaken, no waste occurs under this Act, for example, unless there is a failure to follow a directive from the Committee. Am I correct on that? I was reading through it rather quickly but it seemed to me that waste is sort of defined as a failure to follow a directive. Supposing the Committee does not issue a directive, but under the other legislation, the Territorial Lands Act, there might be some

[*Interprétation*]

semble-t-il pas y avoir un argument solide en faveur de l'inclusion dans cette loi de dispositions touchant la protection du milieu, tout simplement pour faire mieux comprendre à ceux qui liront ces textes, la nécessité de ce contrôle.

M. MacDonald: Nous venons d'aborder le problème technique de la fragmentation des contrôles législatifs. Le bill ne peut pas aller assez loin pour couvrir l'eau, l'extraction des minéraux durs et ainsi de suite. La phase de l'exploration, où il se fait le plus de dommages, sera complètement laissée de côté. Il est donc préférable d'avoir un ensemble de lois détaillées qui informera l'industrie de ce à quoi elle doit s'attendre.

Si nous incluons quelque chose dans ce bill, nous risquons de nous retrouver assis entre deux chaises. Ce que nous voulons avoir, c'est quelque chose qui couvrira tout et nous allons partir de l'utilisation des terrains. Cela deviendra une condition.

M. O'Connell: Une question supplémentaire. Je conviens que la Loi sur les terres territoriales semble toute désignée pour la protection du milieu. Elle est plus complète. Je voudrais demander au témoin s'il est possible qu'il y ait conflit entre les exigences de la loi que nous avons sous les yeux ici et certaines modifications projetées à la Loi sur les terres territoriales.

Deuxièmement, je voudrais savoir si la Loi sur les terres territoriales couvre suffisamment le forage en mer. On peut rencontrer de grandes nappes de pétrole qui proviennent de puits en mer qu'on ne peut plus contrôler, comme c'est arrivé à Santa Barbara. Si cela survenait dans l'Arctique où toute la population dépend de l'eau, notamment les Esquimaux, cela pourrait avoir des effets sur leurs sources d'alimentation. Est-ce que les règlements seront suffisants sur ce point.

Maintenant quelques détails au sujet du premier point. Nous avons jeté un simple coup d'œil sur la loi jusqu'ici mais si je ne me trompe, aucun gaspillage ne peut se produire aux termes de la Loi à moins qu'on ne suive pas les directives du comité. Est-ce que j'ai raison de le supposer? J'ai lu ce passage assez rapidement mais on définit le gaspillage comme le fait de ne pas se conformer aux règlements édictés par le Comité. Supposons que le Comité n'édicte pas de directives mais qu'aux termes de la *Loi sur les terres territoriales,* il y ait matière à poursuite, est-ce

[*Text*]

grounds for proceeding: are we defining things here in such a way that the control should be also in this Act, as the Chairman has suggested?

Mr. Hunt: I think there are several aspects here and perhaps I might deal with the waste situation first. Section 13, subsection (1), of course, does say that there may be no prosecution for committing waste unless the Committee has given its consent in writing, but this in no way prohibits action being taken under the Act since waste is prohibited. Section 14 subsection (1) does allow the Chief Conservation Officer to order the cessation of all operations giving rise to waste until he is certain that the waste has stopped. Mind you, unless it is a case of threat of personal injury or to life, there has to be an investigation to protect the rights of the people who are alleged to be committing waste.

The Chairman: Gentlemen, our time has almost expired. Mr. Thomson has not asked a question yet and I wonder if he may be permitted to do so. You are on a supplementary Mr. O'Connell?

Mr. O'Connell: I still did not get an answer to the question as to whether the Territorial Lands Act covers water.

Mr. MacDonald: The answer is no. I did not draw the Ministers' attention to it too specifically, but there will be legislation on that as well.

On your second question, on the offshore drilling, the regulations can be covered under this Act and will be.

Mr. O'Connell: Thank you.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I would like to go into a different area. I withheld my questioning because I realized that this was different from the questions of the other Committee members. As I understand it the unitizing and the pooling provisions in this Act were designed primarily for production and conservation rather than marketing. Am I correct?

Mr. Hunt: I think they were developed for all three. Yes, the pooling is really sort of a routine operation. The unitization was developed for two purposes: one for conservation to try to make sure that the optimum amount of oil was recovered from the reservoir at the lowest cost, if you like; but secondly, and this a very important factor, to make sure that the cost is maintained at as low a level as possible because of the marketing problems likely to develop.

[*Interpretation*]

qu'on définit les choses de façon que le contrôle se trouvera également dans cette loi comme le demandait le président?

M. Hunt: Il y a plusieurs aspects en cause ici. D'abord prenons le gaspillage. L'article 13 (1) dit qu'il peut ne pas y avoir de poursuite sans le consentement ultime du comité mais cela n'empêche pas de prendre des mesures aux termes de la loi s'il se produit du gaspillage. L'article 14(1) permet au Directeur de la conservation d'arrêter toutes les opérations qui donnent lieu à du gaspillage, jusqu'à ce qu'il soit certain que le gaspillage ait cessé. A moins qu'il y ait danger de blessure ou de mort, il faut qu'une enquête ait lieu pour protéger les droits de ceux qui sont censés se prête au gaspillage.

Le président: Messieurs, notre temps est presque écoulé. M. Thomson (Battleford-Kindersley) n'a pas eu la chance de poser une question jusqu'ici. Vous avez une question supplémentaire, monsieur O'Connell?

M. O'Connell: Je voulais savoir si la *Loi sur les terres territoriales* couvre le forage en mer? On n'a pas répondu à ma question.

M. MacDonald: La réponse est non. Je n'ai pas attiré l'attention du ministre sur ce point trop spécifiquement, mais il y aura législation là-dessus également.

Pour votre deuxième point, pour les forages en mer, ce sera couvert par la loi actuelle.

M. O'Connell: Merci beaucoup.

M. Thomson (Battleford-Kindersley): Monsieur le président, je voudrais aborder un autre domaine. J'ai retenu ma question car je me rends compte qu'elle est différente de celles qu'ont posées les autres membres du Comité. Si je comprends bien, les dispositions de la Loi visant l'union et la mise en commun ont été conçues plutôt pour la production et la conservation, que pour la commercialisation, n'est-ce pas?

M. Hunt: Je pense qu'elles ont été conçues pour les trois. Oui, la mise en commun est une sorte de routine. L'union a été conçue à deux fins: l'une pour assurer qu'on récupère la quantité maximale de pétrole du réservoir au plus bas prix; la seconde, qui est un facteur très important, pour s'assurer que le coût est maintenu à un niveau aussi bas que possible, à cause des problèmes de commercialisation qui pourraient surgir.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): Yes, thank you. I understood you to say that in effect the pro-rationing item was deliberately left out of the Act, left out on purpose, designed that way?

Mr. Hunt: Yes.

Mr. Thomson (Battleford-Kindersley): That is fine. Well, I should not say "fine", but I wanted to make this issue clear.

Mr. Chairman: Excuse me, Mr. Thomson, may I interrupt again? I thought that the Committee room was going to be required at 11 o'clock. I find that this is not the case, so we can continue sitting and perhaps complete our general questioning this morning if this meets with the approval of the members, or do the members have to go elsewhere at 11 o'clock.

Mr. Simpson: I have to go very shortly but we could carry on.

Mr. Thomson (Battleford-Kindersley): I would like to finish this line of questioning, Mr. Chairman, anyway. You suggested that the pro-rationing principle encouraged more wells than was necessary. Is this also true when the amount of production is allowed on the amount of reserves rather than wellhead capacity? As I understand it there are two methods of arriving at a pro-rationing principle: one is on the amount of wells you have and the other is on the amount of reserves. I wondered if this were ever considered.

Mr. Hunt: The problem that develops is that once you have sufficient reserves to allow you to produce a sufficient amount of oil to meet available market demand, whatever system you use to say that we will allow more wells to be drilled and we will allocate to them a share of that market demand, it seems to me it is inevitable that the result will be more wells being drilled than is absolutely necessary to meet that market demand.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, as the witnesses are well aware, the name of the game in the oil business at the moment is markets. This is really what I am concerned with here. For example, if in the Mackenzie valley or the Mackenzie delta we were to discover a field the equivalent of the Prudhoe Bay, where do you visualize markets? Do you see Vancouver as a possible market for this oil?

[*Interprétation*]

M. Thomson (Battleford-Kindersley): Oui, merci. Vous avez dit que, effectivement, on a laissé délibérément le contingentement hors de la Loi, n'est-ce pas?

H. Hunt: Oui.

M. Thomson (Battleford-Kindersley): C'est ce que je pensais, mais je voulais m'assurer.

Le président: Excusez-moi, monsieur Thomson, puis-je vous interrompre de nouveau? Je croyais que le Comité devait céder la place à 11 heures, mais je constate que ce n'est pas le cas. Nous pouvons donc continuer à siéger et peut-être pourrions-nous terminer notre interrogatoire générale ce matin si les membres sont d'accord. Il y a peut-être des députés qui doivent aller ailleurs à 11 heures.

M. Simpson: Je dois partir prochainement mais nous pouvons continuer pour le moment.

M. Thomson (Battleford-Kindersley): Je voudrais terminer cette série de questions, monsieur le président. Vous dites que le principe du contingentement a aidé plus de puits qu'il ne fallait. Est-ce également vrai que le montant de la production est autorisé d'après le montant des réserves plutôt que d'après la capacité des têtes de puits? Si je comprends bien, il y a deux méthodes d'arriver au principe du contingentement: l'une est par le nombre de puits et l'autre par le nombre de réserves. Je me demande si l'on a déjà songé à cela?

M. Hunt: Le problème qui se pose est que, une fois que vous avez assez de réserves pour produire suffisamment de pétrole pour répondre aux demandes du marché, quel que soit le système que vous utilisez pour dire que nous permettrons le forage de plus de puits et que nous leur allouerons une part de cette demande du marché, il me semble inévitable qu'il en résulte l'exploitation d'un plus grand nombre de puits que n'en exige la demande du marché.

M. Thomson (Battleford-Kindersley): Monsieur le président, comme les témoins le savent bien, la préoccupation importante à l'heure actuelle dans l'industrie pétrolière est la recherche des marchés. C'est ce qui me préoccupe vraiment dans le cas présent. Par exemple, si on découvrait dans la vallée du Mackenzie ou le delta du Mackenzie un gisement équivalent à celui de Prudhoe-Bay, où voyez-vous des marchés possibles? Est-ce que Vancouver serait un marché possible pour ce pétrole?

[*Text*]

Mr. MacDonald: The question of markets is one that is before us at all times. We have a task force, of which I am a member, studying the implications of possible northern oil discoveries on our markets, on the Canadian situation, starting from the Prudhoe Bay discoveries which are not in the Canadian area but have an impact.

The most desirable market is the United States market, and I think we will be working in that direction. This raised the possibility, particularly if we get early discoveries in the delta or the Arctic islands, for a second pipeline to come down the Mackenzie valley to the midwest market, which is the traditional Canadian outlet now. But as Mr. Hunt mentioned, if some of the estimates of reserves that geologists have made with respect to Prudhoe Bay and the extrapolation in the Canadian Arctic islands and the delta are borne out, we may have vastly different oil problems than anything we have ever encountered before, and the kind of thinking we do about it in Canada is going to be radically different from anything we have done before.

We may well become a world supplier of oil, and our oil will have to find markets all over the world. That is the reason for our intense interest in the Alexbow icebreaking device, which we have been pursuing through Panarctic and through the Canadian Government, and the SS *Manhattan* trials which start this summer, plus the pipeline that I mentioned earlier.

The European markets look interesting if we find oil in the large pools which are characteristic of the Middle East and which we have been led to believe on geological evidence are a possibility. This is what characterizes the discoveries in Prudhoe Bay and what has led to the excitement there, because this means fairly low-cost crude. If we can break the ice problem to Europe, transportation is less by a factor of four than from Middle East supply sources in the large tankers which now have to go around the Cape and probably will have to continue to go around the Cape even if the Suez Canal were to be open. We are looking, in a sense, everywhere for markets.

Mr. Thomson (Battleford-Kindersley): You did not directly answer my question. Mr. Chairman, just let me clarify this. I am interested, as a Canadian, in finding oil in our Canadian North. I am interested, naturally, in a market for it. But let me say also that as a

[*Interpretation*]

M. MacDonald: La question des marchés est étudiée constamment. Nous avons un comité spécial dont je fais partie et qui étudie les répercussions sur nos marchés et sur la situation économique canadienne des découvertes de pétrole dans le Nord, à commencer par le gisement de Prudhoe-Bay qui ne se trouve pas sur le territoire canadien mais qui aura des conséquences sur son économie.

Le marché le plus avantageux est le marché américain, et c'est dans ce sens que nous orientons nos recherches. Cela soulève la possibilité, surtout s'il y a des découvertes prochaines dans le Delta ou dans les îles de l'Arctique, de la construction d'un deuxième pipe-line dans la Vallée du Mackenzie vers le marché du Centre-ouest, qui est notre débouché traditionnel. Comme M. Hunt le dit, si certaines estimations des réserves qui ont été faites par des géologues pour Prudhoe-Bay et les projections des découvertes possibles dans les îles arctiques s'avèrent justes, nous ferons face alors à une situation tout à fait différente et il nous faudra modifier complètement nos perspectives.

Il peut arriver que nous devenions un fournisseur mondial de pétrole, et il nous faudra trouver des marchés partout dans le monde. C'est pourquoi, nous nous intéressons tant au dispositif Glenbow pour briser la glace, dispositif qui a été mis à l'essai par la Panartic et le gouvernement canadien, ainsi qu'aux essais du Manhattan qui commenceront cet été et à la construction éventuelle d'un pipeline dont je parlais plus tôt. Les marchés européens semblent intéressants si nous trouvons de vastes gisements de pétrole du type de ceux qui existent au Moyen-Orient et qu'on pourrait trouver ici selon les résultats des explorations géologiques. Les gisements de Prudhoe-Bay sont de ce type et c'est ce qui a causé tout cet émoi, car cela signifie un pétrole brut à bas prix. Si nous pouvons résoudre le problème du transport vers l'Europe à travers les glaces, nos frais de transport vers ce marché représenteraient le quart de ce qu'il en coûte pour expédier du pétrole du Moyen-Orient par gros pétroliers; ces navires doivent contourner le Cap et continueront probablement de le faire, même si le Canal de Suez ouvrait.

En somme, nous recherchons des marchés partout.

M. Thomson (Battleford-Kindersley): Vous n'avez pas répondu directement à ma question. Je vais m'expliquer. A titre de Canadien, je m'intéresse à ces découvertes du pétrole dans le Nord canadien. Je voudrais, bien sûr, qu'on trouve un marché pour ce

[*Texte*]

resident of Saskatchewan and living near the Province of Alberta, where at present they are at only 35 per cent of capacity and already have an awkward marketing situation, I am quite concerned about this. You see the reason for my question. I will be quite frank.

Mr. MacDonald: You can see the reason for my caution.

Mr. Thomson (Battleford-Kindersley): Yes, but as I see it, there is a possibility of Canadian oil produced by a company in the Mackenzie delta, going through the pipeline across Alaska, being sold on the Vancouver market, and cutting out the present oil sales from Alberta. I was wondering if you had contacted the Provinces of Alberta and Saskatchewan when you designed this bill, particularly when you left out the pro-rationing concept?

Mr. MacDonald: No.

Mr. Thomson (Battleford-Kindersley): You did not. These two provinces were not . . .

Mr. Hunt: They were not consulted. Mind you, we looked extensively at their legislation.

Mr. Thomson (Battleford-Kindersley): Yes, I realize that. I have done some research in this area. But the point I want to raise here is that these two provinces were not consulted. If I were a member of the Alberta or Saskatchewan Governments considering these things, I think I would want to appear before this Committee and examine the bill in detail, particularly in regard to the pro-rationing concept, share of market, et cetera. They may not feel this way, but I think that this opportunity should be presented if they so wish, and particularly in view of the fact that the Department of Indian Affairs and Northern Development did not consult with them. I know, this is an extremely awkward political question in Western Canada, and I am aware of the impact that any further reduction of the sale of oil would have on the economies of these two provinces. To resolve this situation we may perhaps, as you said, have to reorient our thinking, and I would agree with that.

Mr. Chairman, I wonder when our next meeting might be held in discussing this, and what official witnesses have requested to be present. Who has requested to be present in connection with hearings before this particular body?

[*Interprétation*]

pétrole. Mais, je demeure en Saskatchewan et je constate que la province voisine, l'Alberta, n'exploite ses gisements qu'à 35 p. 100 de leur capacité et a de gros problèmes pour l'écoulement de son pétrole; voilà ce qui m'inquiète, voilà pourquoi je pose cette question.

M. MacDonald: Vous voyez pourquoi je suis prudent.

M. Thomson (Battleford-Kindersley): Oui, mais, comme je le vois, il est possible que le pétrole canadien soit extrait par une société pétrolière dans le delta du Mackenzie, qu'il soit acheminé par pipeline à travers l'Alaska et vendu sur le marché de Vancouver, ce qui nuirait aux ventes actuelles de l'Alberta. Je me suis demandé si vous aviez consulté les provinces de l'Alberta et de la Saskatchewan lorsque vous avez conçu ce projet de Loi, surtout lorsque vous avez laissé de côté le concept du contingentement.

M. MacDonald: Non.

M. Thomson (Battleford-Kindersley): Non? Ainsi, ces deux provinces n'ont pas été . . .

M. Hunt: N'ont pas été consultées; mais nous avons étudié de près leur législation à ce sujet.

M. Thomson (Battleford-Kindersley): Je sais. J'ai fait moi-même un peu de recherche sur ce sujet. Mais je veux insister sur le fait que ces deux provinces n'ont pas été consultées. Si je faisais partie du gouvernement de la Saskatchewan ou de l'Alberta, connaissant la teneur de ce projet de loi, j'aimerais comparaître devant ce Comité et examiner le projet de loi à fond, particulièrement en ce qui concerne le concept du prorata, du partage du marché, etc. Ce n'est peut-être pas leur opinion, mais je crois qu'on devrait leur offrir cette occasion s'ils le désirent, étant donné surtout que le ministère des Affaires indiennes et du Nord canadien ne les a pas consultés. Je sais, par ailleurs, que c'est une question politique très délicate dans l'Ouest du pays et je suis au courant des répercussions que pourrait avoir une réduction des ventes de pétrole sur l'économie de ces deux provinces. Pour bien saisir la situation, il nous faudra peut-être l'étudier d'un autre point de vue, je suis bien d'accord avec vous là-dessus.

Monsieur le président, je me demande quand nous pourrions avoir une prochaine réunion pour discuter de cette question, et quels témoins officiels ont demandés à être entendus. J'aimerais savoir qui a demandé à témoigner devant notre Comité?

[*Text*]

The Chairman: Mr. Thomson, as I said earlier, we have contacted both the Canadian Petroleum Association and the Independent Petroleum Association of Canada. The latter has indicated an interest in appearing, and it will appear through a representative. You could ask your Party's representative on the steering committee to make a pitch for contacting the Alberta and Saskatchewan people.

I think we should consider this, and I would be prepared to ask our Clerk to contact the Saskatchewan and Alberta people right away to find out if they do wish to appear. They may not wish to, but at least we should give them the opportunity. I think your suggestion is a good one.

Mr. Thomson (Battleford-Kindersley): Yes, I would think they should be given the opportunity. If they do not want to, that is—but if the Act goes through the Committee before they have a chance to appear, it would be very awkward for them, naturally.

In connection with the independents and the pro-rationing concept, as undoubtedly these gentlemen are aware, the independent oil people are not as financially flush as and are less able to develop a market than some of the larger oil corporations. And certainly when they do not have their own refining capacity, you can see where this would be very awkward for the smaller operator. And in effect, as I understand this Act, you are saying that only the large companies need apply. What would you say to this?

Mr. MacDonald: I think, Mr. Thomson, the basic purpose of our Department and of our policy is the development of the North. It is not an industry-sustaining measure. The harsh logistics of the North are there, particularly when we were talking of the High Arctic islands. These factors have been operative for some time in thir effect upon the nature of exploration. The ability of the small operator to mount an exploration effort in that kind of terrain has been obviously difficult for many years, and large capital formations have been required. It is not a philosophical matter, or choice on anyone's part. It is one of these things which arise out of the nature of the terrain.

Conversely, looking at it from Canada's point of view, the prizes are very great and very real. We are talking about potential oil reservoirs in the High North which, for Canada, might become the equivalent of two or

[*Interpretation*]

Le président: Comme je l'ai dit déjà, M. Thomson, nous sommes entrés en contact avec la *Canadian Petroleum Association* et *Independant Petrolium Association of Canada;* cette dernière société a manifesté l'intention de comparaître et elle déléguera un représentant. Vous pourriez peut-être demander au représentant de votre parti au Comité de direction d'entrer en contact avec des personnes autorisées de l'Alberta et de la Saskatchewan.

Je crois vraiment que c'est un point à considérer, et je serais prêt, quant à moi, à demander au secrétaire d'entrer immédiatement en contact avec ces deux gouvernements afin de déterminer s'ils veulent être entendus. Peut-être qu'ils ne veulent pas, mais il faut quand même le leur offrir. Je crois que vous avez là une bonne idée.

M. Thomson (Battleford-Kindersley): Je crois qu'on devrait leur fournir cette occasion. S'ils refusent, alors... Mais si la loi passe l'étape du Comité avant qu'ils aient le temps d'être entendus, cela pourrait donner lieu à des difficultés.

Sur cette question des producteurs indépendants et du concept du prorata, ces messieurs seront d'accord avec moi pour affirmer que les producteurs indépendants sont moins en mesure de développer un marché que les grandes sociétés. S'ils n'ont pas leur propre raffinerie, vous pouvez vous imaginer qu'ils peuvent être placés dans une situation extrêmement difficile. Si je comprends bien le projet de loi, vous avez l'air de dire que seules les grosses sociétés pourront faire une demande. Quels sont vos commentaires à ce sujet?

M. MacDonald: Le but fondamental de notre politique est le développement du Nord. Notre politique ne vise pas à subventionner l'industrie. Il faut voir en face la dure réalité qui se présente dans le Nord, en particulier dans les îles les plus éloignées de l'Arctique. Ces conditions ont déjà eu une influence sur les explorations. On s'est rendu compte depuis plusieurs années de la difficulté pour le petit exploitant de mettre sur pied une exploitation dans ce genre de terrain car il faut de gros capitaux. Ce n'est pas une question théorique, ce n'est la faute de personne, c'est dans la nature même des choses.

Par ailleurs, si on se place du point de vue du Canada, les bénéfices qu'on pourrait retirer de cette exploitation sont très réels et très importants. Les réserves qui existent peut-être dans le Grand Nord pourraient rapporter

[*Texte*]

three new wheat crops. It is of this order of significance.

As Mr. Hunt mentioned earlier, the critical element in this will be not what we think about this but who buys the oil. It is the price you pay for it—and the markets are of the world; not only, or even necessarily or even possibly the protected market of the United States which we have access to and we are trying to increase through the negotiations which have been going on but which have been put within a different framework with the discovery in what in effect is the continental United States and the Prudhoe Bay discoveries—when considering our 1971-72 outlook which we had prior to that point too about rising consumption and available supplies.

So we approach this from the point of view of the system which will produce the lowest cost product. We take this to be our responsibility if this oil in the high Arctic is to find its place in world markets. I should indicate that it has been estimated that in the Prudhoe Bay area the reserves could go as high as 40 billion barrels.

This is not official but it has been estimated and there is a lot of industry opinion that seems rather leaning to that higher side. And it has often been suggested, given the relative geological areas of provinces, that the reserves on the Canadian side could be of an equal order; that is, the 40 billion is equal to all of the known reserves of the North American Continent at the time Prudhoe Bay was discovered. So that kind of oil has got to find a larger market. I mentioned earlier that Canada is in the process of re-examining these problems. We remain optimistic because, as Mr. Hunt mentioned earlier, the curve of increased consumption still continues to rise quite fantastically. There may be shifts of several years one way or the other against expectations of what it is, but the long-run outlook, of course, is the need for all supplies, we think.

Mr. Thomson (Battleford-Kindersley): Thank you, Mr. Chairman. I think it is in a sense unfortunate that you mentioned the wheat crop because I am a wheat farmer and we have an awkward enough situation there. If anything makes me more sharply aware of the need for markets it is my own situation as a wheat farmer. But I would like to ask in connection with Panarctic Oils, shall we say an over-all oil consortium, what about the position of one independent with the percentage? Did you ever give any thought to this?

[*Interprétation*]

au Canada l'équivalent de deux ou trois nouvelles récoltes de blé. C'est dans cet ordre de grandeur.

Comme M. Hunt l'a dit auparavant l'élément critique n'est pas ce que nous en pensons mais qui achètera ce pétrole. Il s'agit du prix que vous payez et les marchés se trouvent partout dans le monde et non pas nécessairement ou possiblement aux États-Unis, les marchés auxquels nous avons accès et que nous cherchons à accroître par des négociations qui continuent mais dans une perspective différente avec les découvertes de l'Amérique continentale et de Prudhoe Bay. Nous pensons à nos perspectives de 1971-72 en tenant compte des ressources disponibles à ce moment-là.

Nous nous plaçons du point de vue du système qui pourra nous donner un produit le moins coûteux possible, c'est notre responsabilité. Si ce pétrole de l'Arctique doit trouver sa place sur les marchés internationaux. On estime que dans la région de Prudhoe Bay, les réserves pourraient atteindre 40 milliards de barils.

Ce n'est pas un chiffre officiel, c'est une estimation. L'industrie pense comme ça. Mais on a souvent dit, compte tenu des régions géologiques, que les réserves du côté canadien pourraient être à peu près égales à ces chiffres, c'est-à-dire, 40 milliards représentent toutes les réserves connues dans le continent nord américain au moment de la découverte de Prudhoe Bay. Il faut que cette qualité de pétrole trouve un plus grand marché. Je disais souvent que le Canada est en train de réexaminer ces politiques. Nous sommes optimistes, car selon M. Hunt la courbe d'une consommation accrue continue de monter rapidement. Il peut y avoir des placements au cours de plusieurs années par rapport à ce qu'on prévoyait, mais à la longue, la perspective est le besoin de tous les approvisionnements, croyez-nous. Merci monsieur le président.

M. Thomson (Battleford-Kindersley): Merci, monsieur le président. Il est au fond regrettable que vous ayez mentionné la récolte de blé, parce que je suis cultivateur et la situation n'est pas brillante de ce côté-là. S'il y a une chose qui fait que je me rends compte du besoin de marchés, c'est ma propre situation en étant agriculteur. Au sujet de Panarctic Oils, un consortium de pétrole, quel est le pourcentage des exploitants indépendants? Est-ce que vous y avez jamais songé?

[*Text*]

Mr. MacDonald: How do you mean, Mr. Thomson?

Mr. Thomson (Battleford-Kindersley): One over-all company exploring this rather than allowing one big international company. I was thinking of possibly government interests or the opportunity for independents to invest in one large company.

Mr. MacDonald: Do you mean, should we undertake to try to organize sort of another Panarctic?

Mr. Thomson (Battleford-Kindersley): I am asking the question, yes.

Mr. MacDonald: I am trying to clarify it. The considerations there are that we are in Panarctic now and we are committed to $9 million and probably will have to go along much more than that because the total program is $20 billion, at the first stage $30 million, and most experts consider this to be a very small sum of money to try to get a yes or no on such a vast area. And again to give a proportion of the kind of capital and which bears on the question you have asked, the Arctic Islands have a volume of sedimentary deposits equal to the three Prairie Provinces combined. We are talking about approximately $30 million in Panarctic.

I understand something of the order of $100 million a year is spent in Alberta alone on exploration. So if we want to in a sense displace private capital by government intervention we must be prepared to find capital in that order of magnitude. I rather doubt whether we can look for that in the public sector at the present time. So that is one of the arguments mitigating against it.

On the other side, because of Prudhoe Bay and because of Panarctic, I think we have succeeded in generating the kind of interest in the North that we have been trying to generate and private capital is now rushing in.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I am sure the Minister is concerned about the welfare of the Canadian North and I do not question his interest in this way. I would like to assure him that I too am concerned. I also represent another area which is in an extremely awkward position at the moment.

Mr. Chairman, there is one other little facet that I would like to deal with. I do not see any provicion—at least if it is here I have missed it—for paying for surface rights.

Mr. Hunt: No, this would not be in here because this is to be found under the Canada Oil and Gas Land Regulations.

[*Interpretation*]

M. MacDonald: Qu'est-ce que vous voulez dire, monsieur Thomson?

M. Thomson (Battleford-Kindersley): Une grande société qui exploite au lieu d'une société internationale. Je pense à des intérêts possibles du gouvernement ou à des exploitants indépendants qui pourraient investir dans une grande société.

M. MacDonald: Croyez-vous qu'il faudrait tenter d'organiser une autre exploitation dans l'Arctique?

M. Thomson (Battleford-Kindersley): Je pose la question, oui.

M. MacDonald: J'essaie de mettre ce point au clair.

Nous sommes dans l'Arctique en ce moment engagés jusqu'à 9 millions de dollars et nous devrons mettre beaucoup plus je crois parce que le programme s'élève à 20 milliards de dollars, $30 millions pour la première partie. La plupart des spécialistes le considèrent comme un petit montant pour obtenir un oui ou un non pour l'énormité de cette région. Et pour ce qui est de la capitalisation dont vous parlez, les Îles de l'Arctique ont un volume de gisements égal aux trois provinces des Prairies ensemble. Nous parlons d'environ 30 millions de dollars pour la *Panarctic*.

Je crois savoir qu'il y a 100 millions de dollars de dépensés chaque année en Alberta seulement. Et si nous voulons déplacer le capital privé par l'intervention du gouvernement, il faut être prêt à trouver des capitaux de cet ordre d'importance. Et je doute que ce soit possible dans le secteur public à l'heure actuelle. C'est un point négatif. D'autre part, à cause de *Prudhoe Bay* de *Panarctic*, je pense qu'on a réussi à apporter l'intérêt dans le Nord que nous voulions y apporter et les capitaux commencent à affluer.

M. Thomson (Battleford-Kindersley): Monsieur le président, je sais que le ministre veut la prospérité du Nord canadien, et je ne conteste pas son intérêt. Je vous assure que moi aussi je suis préoccupé. Je représente aussi une autre région qui se trouve dans une situation très difficile. Il y a un autre aspect de la question auquel je voudrais m'arrêter. Je ne vois pas de disposition, s'il y en a une ici, au sujet du paiement pour les droits de surface.

M. Hunt: Cela ne se trouve pas ici mais sous le règlement des terres pétrolifères et gazifères du Canada.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): Yes, as we dealt with earlier. Now, further to this, there is a suggested amendment by the Senate restoring the original site. For example, they say even tracks across the trails, if you will, across the country, mark for some years to come and I think there should be something in the act or do you care to comment on this—about restoring the site?

Mr. Hunt: On that comment I think perhaps you have raised two features. The first one is, shall we say the restoration of the drilling site as such. From the point of view of actually restoring the drilling site, filling in the mud pits, cleaning up and everything, that will be in these regulations.

Mr. Thomson (Battleford-Kindersley): It is a regulation.

Mr. Hunt: Yes.

Mr. Thomson (Battleford-Kindersley): All right.

Mr. Hunt: That is part of the requirement on the company when it goes to drill. Its drilling lease contains the requirement that the drilling authority follow proper clean-up. From the point of view of the tracks across the tundra or the temporary winter roads and so on, this is damage to the environment and this is what would come under the other set of regulations regarding protection of the environment. I think I should point out, of course, that it will be impossible to eliminate this completely. It is a sensitive, tender sort of environment that is very easily damaged. I think the thing to do is to keep the damage to a minimum.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, this will finish my questioning for the moment. I do feel, as I said earlier, that the governments of Saskatchewan and Alberta should be notified and given an opportunity to appear if they so wish. You have indicated that at least two oil associations wish to appear. At that time I might have further questions.

The Chairman: Thank you, Mr. Thomson. Mr. Simpson, you had further questions.

Mr. Simpson: In relation to the task force that the Deputy Minister was talking about, the terms of reference of the task force I assume are public. In the terms of reference is there any provision for the task force endeavouring to assess the situation resulting from an oil discovery in the North, relating it to the present cost to the consumer of petroleum products in Canada? Are you mak-

[*Interprétation*]

M. Thomson (Battleford-Kindersley): On en a déjà parlé. Il y a un amendement proposé par le Sénat pour le rétablissement des emplacements, par exemple des routes à travers le pays. On devrait le prévoir dans la loi. Voulez-vous faire des commentaires sur le rétablissement?

M. Hunt: Je crois que vous avez soulevé deux questions. La première traite de la remise en état des emplacements de forage. Il faut remplir les puits, refaire le surface et cela se trouvera dans les règlements.

M. Thomson (Battleford-Kindersley): C'est un règlement.

M. Hunt: Oui.

M. Thomson (Battleford-Kindersley): D'accord.

M. Hunt: Cela fait partie des exigences du forage. Le contrat exige que les autorités de forage suivent le réaménagement. Du point de vue du réaménagement de la toundra ou des routes provisoires d'hiver, c'est un dommage à l'environnement, ce qui relève d'une autre série de règlements sur la protection. Il ne sera pas possible d'éliminer cela complètement, bien entendu. C'est un milieu qu'on peut facilement endommager. Il faut réduire ces dommages au minimum.

M. Thomson (Battleford-Kindersley): Ceci terminera mon interrogatoire pour le moment. Les gouvernements de la Saskatchewan et de l'Alberta devraient être informés pour leur fournir l'occasion de comparaître. Vous avez dit que deux asscoiations d'exploitants viendront. A ce moment-là j'aurais peut-être d'autres questions à poser.

Le président: Merci, M. Thomson. Monsieur Simpson, vous avez une autre question à poser?

M. Simpson: J'aimerais poser ma question au sous-ministre. L'équipe de chercheurs dont il parlait, je présume que leur mandat est connu au public? Est-ce que leur mandat prévoit que cette équipe essaiera d'évaluer la situation qui résulterait d'une découverte de pétrole dans le Nord par rapport aux coûts du consommateur qui produit du pétrole au Canada? Est-ce que vous étudiez la question

[*Text*]

ing any study as to whether this would tend to bring down the costs?

Mr. MacDonald: That, Mr. Simpson, is not the basic point but we are conducting market studies. We are trying to form an appreciation of the total effects from the variety of points of view—the possibility of oil in the North, offshore, in the West or Atlantic coasts, Hudson Bay, the present oil fields and their expansion in the Prairie Provinces, markets in the United States, markets in the rest of the world. Will any of these new sources displace other offshore oil coming into Canada? What would be the price consequences and so on? Indirectly this will come out but it is not the central purpose.

Mr. Simpson: I would like to preface this next question by saying that I am very, very strongly in favour, as I am sure all the rest of the Committee members are, of northern development. What taxing powers do the Northwest Territories Council have in relation to mineral resources such as oil and gas? Have they taxing powers in these?

Mr. MacDonald: No.

Mr. Simpson: None whatsoever?

Mr. MacDonald: Only in terms of business taxes on companies operating there—what might be called ordinary, local taxes. They have taxes on the installed facilities and so on but they have no power to exact a royalty or any other general impost of that kind.

Mr. Simpson: One reason I prefaced my question by stating my interest in northern development was on account of this next question. Everyone in Canada, this Committee as well, has been watching with interest the exploration for oil and gas in the North because we are interested in the development of the North.

Other than employment on drill rigs and exploration, when this oil is found and the pipelines are built, what employment to any great extent is this going to result in in the North? I know it will be a benefit to Canada as a whole if these large discoveries of oil are made. It will certainly assist our balance-of-payments. What is it actually going to do for development of the North? For example, if a mine opened up you might within three to four years find a city of anywhere up to 35,000 or 40,000 because we have evidence of it in Northern Manitoba in one that is going to get to that stage very rapidly. How are oil rigs or an oil field going to open up the North, or develop it, and bring people into the North in large numbers?

[*Interpretation*]

si les coûts au niveau du consommateur de pétrole au Canada seraient réduits?

M. MacDonald: Ce n'est pas le cas important. Mais, nous effectuons des études du marché. Nous essayons d'évaluer les conséquences de tous les points de vue. Il y a des possibilités de découvertes d'huile dans le Nord, dans les régions côtières, dans la Baie d'Hudson. Les genres de pétrole dans les provinces de l'Ouest peuvent être élargis des marchés aux États-Unis, du marché intérieur à travers le monde entier. Est-ce que ces nouvelles sources de pétrole déplaceront le pétrole côtier qui entre au Canada? Ce n'est pas le but principal mais il est probable que les coûts soient réduits finalement.

M. Simpson: Je suis très en faveur ainsi que tous les membres du développement du Nord canadien. Quel pouvoir de taxation a le Conseil des Territoires du Nord-Ouest quant aux ressources minérales telles que le pétrole et le gaz? Peuvent-ils taxer?

M. MacDonald: Non.

M. Simpson: Pas du tout.

M. MacDonald: Seulement aux termes de taxes de commerce, les taxes locales qui affectent les compagnies d'exploitation. Ils n'ont aucun pouvoir d'exiger des redevances ni autre imposition du même genre.

M. Simpson: Une question pour laquelle j'ai fait ces remarques préliminaires en indiquant que je suis intéressé au développement du Nord, a trait à la question qui suit. Tout le monde au Canada et ce Comité également, ont suivi avec grand intérêt les exploitations pour le pétrole et le gaz dans le Nord. Nous nous intéressons au développement du Nord.

Mais autre que l'emploi sur des équipements de forage et l'exploration, lorsqu'on trouve ce pétrole et qu'on construit des pipelines, quels emplois dans une grande mesure résulteront de cela dans le Nord? J'espère que ceci apportera des avantages au Canada dans l'ensemble si l'on fait de grandes découvertes de pétrole. Cela nous aiderait à résoudre la question de la balance des paiements. Mais est-ce que ces exploitations contribueront au développement du nord? Par exemple, vous ouvrez une mine et en 3 ou 4 années, il y a une ville jusqu'à 35 mille ou 40 mille personnes. Nous avons une preuve de cela dans le nord du Manitoba où l'on en viendra à cette étape très rapidement, mais comment des équipements pétroliers ou champ de pétrole contribueront-ils à développer le Nord et à y attirer des gens en grand nombre?

[*Texte*]

Mr. MacDonald: I do not think it is. I think this has to be a point made with respect to the development of the North: development can have a variety of meanings. I think we have made the point from time to time that the economic development of the North is going to be centered almost entirely on the extractive industries and the associated auxiliary industries that will support them. This is metal mining and oil.

In both cases because of the continuing technological developments, and the particular environment in which they will operate, we anticipate that these will be highly capital-intensive industries. Even Pine Point, which is a very large and profitable operation, was operating with something in the order of less than 200 people.

I should also mention the other side of the coin, that mining ventures that have towns of 30,000-35,000 also perish and give you the problems that we face, for example, in Dawson in the Yukon. It is a problem which intrigues us more and more as we contemplate the future of the North and try to visualize what kind of society and what kind of problems we are going to face.

The oil industry will undoubtedly make a very great contribution in the near- and medium-term in the development of the industry, transportation, and the associated industries that go along with it. If it is a fairly large and extensive field, there will be a considerable transportation involvement supplies, logistics base and so on. But we do not try to hold out that it is a large population base. We think it will, in itself, with associated industries, and the mining industry, be the critical factor in providing the openings for the native population who wish to continue to reside in the North and whose numbers are not great but which, as a sociological and a moral problem for Canada, is very, very significant. If, therefore, we have a sense of urgency in developing these industries it is for this consideration as much as for Canada as a whole.

Mr. Simpson: I want to thank you but I would take exception to—and I can understand your reference to mining towns or development towns—mining towns disappearing or dying. This has been the case in the past but I do not see any reason why it necessarily has to be the case in the future of Canada, because I think that follow-up industries should and must take place in large areas of population developing in the North. If the primary reason for them being there disappears, then as Canada grows I am sure we

[*Interprétation*]

M. MacDonald: Je ne pense pas que cela en résultera. Il faut que cela contribue au développement du Nord. Le développement peut signifier énormément de choses. Nous avons souligné de temps à autre que le développement économique du Nord dépendra presqu'entièrement des industries extractives et des industries auxiliaires associées qui les appuieront. Il s'agit du pétrole et de l'exploitation du minerai.

Dans les deux cas, dû au développement technologique continuel et au milieu particulier dans lequel ces industries se trouveront, nous prévoyons que ce seront des industries de capital énorme. Même *Pine Point* qui est une exploitation très grande et profitable, fonctionnait avec quelque chose de moins que 200 personnes.

Je devrais également souligner le verso de la médaille, les exploitations minières qui ont des villes de 30,000 à 35,000 personnes périssent également, et nous présentent le problème qui nous confronte, par exemple, à Dawson dans le Yukon. C'est un problème qui nous intrigue de plus en plus au fur et à mesure que nous envisageons l'avenir du Nord et que nous essayons d'entrevoir à quelle sorte de société et à quel genre de problèmes nous allons faire face.

L'industrie pétrolière contribuera sans doute beaucoup, au début et au milieu de cette période, au développement de l'industrie, du transport et des industries associées qui en dépendent. Parce que s'il s'agit d'un champ d'exploitation assez vaste, il y aura des approvisionnements à fournir. Une industrie de transport qui se développera, mais l'industrie ne fournira pas des emplois à une grande population. Mais cela peut être, avec les industries associées et l'industrie minière, le facteur critique qui permettra des emplois à la population indigène qui veut continuer à vivre dans le Nord. La population indigène n'est pas importante, mais présente un problème sociologique et moral au Canada. En conséquence, si nous sentons qu'il est urgent de développer ces industries, c'est autant pour ces raisons que pour le Canada dans son ensemble.

M. Simpson: Je vous remercie, mais je fais une réserve, et je comprends votre allusion aux villes minières, quant aux villes minières qui se développent et disparaissent. Ceci a été le cas dans le passé, mais je ne vois pas pourquoi cela serait le cas dans l'avenir du Canada, parce que je suis d'avis que des industries secondaires peuvent s'établir dans ces communautés populeuses qui se développent dans le Nord. Si la raison primaire de leur existence disparaît, alors, au fur et à mesure que le Canada se développe, je suis

[*Text*]

have to find other means of keeping them going. Personally, I think that once the people in Toronto, Vancouver and Calgary have come up North and seen the place they will all want to move up there.

The Chairman: Is this a supplementary, Mr. Thomson, because Mr. O'Connell has a question.

Mr. Thomson (Battleford-Kindersley): Very well, then, Mr. O'Connell first.

Mr. O'Connell: My question is off on another tack.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I will be brief. Have you anything in print on the royalty provisions of oil and gas in the North and, if so, could I get a copy? To ask intelligent questions I would like to have a chance to read them first. Thank you very much.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Thank you, Mr. Chairman. My questions go back to Section 13 sub-paragraph (1), where it is provided that anyone guilty of an offence of committing waste may be prosecuted but not before there is written consent from the Committee. I would seek a little information on that section if I might first, who would conduct the prosecution?

Mr. Hunt: The Crown would conduct the prosecution.

Mr. O'Connell: Yes, the Crown would conduct any prosecution. I am wondering if it is appropriate to hold the Crown up if it wished to conduct a prosecution until it had the consent in writing of a Committee; and secondly, whether this word "consent" ought not to rather be "opinion"; that it might be required to have an opinion. Thirdly, there is no time limit imposed on the Committee to give a consent. Why is that provision in there?

Mr. Hunt: The provision was put in there because whether or not waste is being committed will depend in very many cases upon, shall we say, the technical facts of the situation. Of course, it was felt that the whole purpose of creating the Committee in the first place, particularly to hear appeals and so on, was to avoid facing a court with these very difficult, technical aspects of determining technical facts.

Mr. MacDonald: If I might interpose here, Mr. Hunt, because I am a layman in this area

[*Interpretation*]

sûr que nous devons trouver d'autres moyens de continuer leur existence. Personnellement, je pense que dès que les gens de Toronto, Vancouver et Calgary seront venus dans le Nord et auront vu l'endroit, ils vont tous vouloir s'y établir.

Le président: Est-ce une question supplémentaire, monsieur Thomson, car M. O'Connell veut poser une question.

M. Thomson (Battleford-Kindersley): Très bien, alors. M. O'Connell le premier.

M. O'Connell: Ma question a changé de voie.

M. Thomson (Battleford-Kindersley): Monsieur le président, je veux brièvement faire une remarque. Est-ce que vous avez quelque chose au sujet des dispositions visant les droits d'exploitation du pétrole et du gaz dans le Nord? Si oui, j'en voudrais un exemplaire, je voudrais lire cela afin de poser des questions intelligentes. Merci.

Le président: M. O'Connell.

M. O'Connell: Merci, monsieur le président. Mes questions se rapportent au paragraphe (1) de l'article 13, où il est prévu que quiconque sera coupable d'avoir fait du gaspillage peut être poursuivi, mais pas avant qu'il y ait consentement écrit du Comité. Je veux des renseignements. Qui intenterait la poursuite?

M. Hunt: La Couronne intenterait la poursuite.

M. O'Connell: Oui, la Couronne intenterait toute poursuite. Est-il approprié que la Couronne soit retardée, si elle voulait intenter une poursuite, jusqu'à ce qu'elle ait obtenu le consentement du Comité par écrit, et deuxièmement, est-ce que ce terme «consentement» ne devrait peut-être pas plutôt être changé pour être remplacé par «opinion»? Et troisièmement, il n'y a aucun délai dans lequel le Comité doit donner son consentement. Pourquoi cette disposition-là?

M. Hunt: Parce que, qu'il y ait gaspillage ou non, dépendra dans beaucoup de cas, des facteurs techniques de la situation. Naturellement, on était d'avis que le but d'établir le Comité en premier lieu qui entendrait les appels, était de voir à ce qu'un tribunal n'ait pas à transigner des questions basées sur des considérations techniques.

M. MacDonald: Permettez-moi d'intervenir ici, monsieur Hunt. Je suis un laïque dans ce

[*Texte*]

and I have listened to these discussions going on internally and while Mr. Hunt says "technical facts" I think the burden of the argument I have heard is that they will not be facts but informed opinions. This is the somewhat subtle—and maybe not so subtle—distinction which comes back to your original concern, Mr. O'Connell, about the need for expertise on the Committee, that the state of the art is such that one will be working with technical material which has to be interpreted, and it is going to be a committee of men sitting around and using, hopefully, their best judgment in the public environment to come to a judgment as to whether or not an alleged fact is a fact. It will never be a testable fact because it is underground in most cases.

Mr. O'Connell: Yes. Perhaps the question revolves around the requirement of consent before the Crown could prosecute. I do not know enough about the legal situation to know if in general the Crown should be held up in any desire to prosecute since, after all, that would then go into litigation and be decided one way or the other. If it should be dependent for its action on the consent of the Committee, would it not be sufficient to say "without the written *opinion*" of the Committee. On the matter of consent it seems to me too strong with respect to whether the Crown can or cannot act.

The Chairman: I have a supplementary to this. Would it not be the case that the Crown cannot proceed unless it gets an opinion from the Committee? It cannot proceed otherwise?

Mr. O'Connell: No it does not say "opinion". It says "consent".

Mr. MacDonald: It is the same thing, I think.

Mr. O'Connell: I don't think so.

The Chairman: No, but in reality is it not the case, Mr. Hunt, that in order for the Crown to proceed at all in this matter, to make any move, to make any decision, it would have to obtain its information from the Committee?

Mr. Hunt: I think, sir, I might refer you to Section 48 subsection (5).

The Chairman: Yes, I was looking at that.

Mr. Hunt: You see that there is no presumption of waste having been committed unless the Committee first comes to the con-

[*Interprétation*]

domaine et j'ai écouté ces discussions internes. Et lorsque M. Hunt dit «facteur technique», je pense que le poids de la discussion est que ce ne seront pas des faits techniques, mais des opinions informées. C'est la distinction quelque peu subtile, et peut-être pas si subtile, qui revient à votre préoccupation première, monsieur O'Connell, au sujet de savoir ou non, s'il y aura des experts qui siègeront au Comité, que l'état de l'art est tel qu'on travaillera avec des documents d'ordre technique qui devront être interprétés et il s'agira d'un comité formé d'hommes qui siégeront et se servant de leur meilleur jugement dans le milieu public pour juger si, oui ou non, une allégation équivaut à un fait. Ce ne sera jamais un fait éprouvé parce que, le plus souvent, cela se passe sous terre.

M. O'Connell: Oui. Il me semble donc que ma question se situe autour du besoin du consentement du Comité avant que la Couronne ne puisse intenter poursuite. Je ne connais pas suffisamment les questions légales pour savoir si la Couronne doit souffrir d'un délai dans l'intente d'une poursuite, car après tout, il y aura litige et une décision sera prise dans un sens ou dans l'autre. Si elle dépend du consentement du Comité, est-ce qu'il ne serait pas susffiant de dire: «sans l'opinion écrite du Comité»? Il me semble que la question de consentement est de portée trop sévère quant à savoir si la Couronne peut agir ou non.

Le président: J'ai une question supplémentaire à ce sujet. Ne serait-il pas le cas que la Couronne ne peut poursuivre à moins d'obtenir une opinion du Comité? Autrement, elle ne peut intenter poursuite?

M. O'Connell: Mais on ne dit pas «opinion, on dit «consentement».

M. MacDonald: C'est la même chose, je pense.

M. O'Connell: Je ne crois pas.

Le président: Non, mais en réalité, n'est-ce pas le cas, monsieur Hunt, car pour que la Couronne puisse même intenter des poursuites, pour qu'elle puisse agir le moindrement, pour qu'elle puisse prendre une décision, elle doit obtenir ses renseignements du Comité?

M. Hunt: Monsieur, veuillez vous reporter au paragraphe 5 de l'article 48.

Le président: Oui, je regardais cela. J'étudie cela.

M. Hunt: Il n'y a aucune présomption de ce qu'il y ait eu gaspillage à moins que le Comité ne décide d'abord qu'il y a eu gaspil-

[*Text*]

clusion that waste is being committed and has directed that measures be taken to prevent this waste.

Mr. O'Connell: That is only for (f) and (g). All these other possibilities of waste are not covered.

Mr. MacDonald: What Parliament will be doing by enacting this Bill is creating a statutory offence, but it is going to be one subject to a highly technical consideration of whether or not that offence has been committed. Therefore, what the bill will also be saying, if Clause 13 is retained, is that it requires in effect, the verdict of the committee that waste was indeed committed; that the offence provided for by Parliament has indeed taken.

If it does not say so, whether one requires the concurring opinion or consent—the words the Chairman used in trying to make his point—it seems to amount to the same thing. One way or the other, the Crown would not be able to prosecute unless there had been a finding in fact that an offence had been committed.

Mr. O'Connell: Mr. Chairman, even if that applied, I think the language here is such that even if the Committee found there was an offence it might, nonetheless, withhold consent to prosecute. I think it is undesirable that the Crown be in the position of not being able to prosecute because the committee, even though it may have found the offence there, failed to give consent.

Mr. Hunt: Perhaps I might just add one other point of view on this. Some concern was felt within the Department about whether, shall we say, departmental specialists alone could properly determine that waste had been committed. It was felt that it was most desirable that the Committee also concur in that conclusion; and it certainly intended that if the Committee did not concur it therefore presumably failed to concur by withholding consent. That is the extent of the...

Mr. O'Connell: I do not object to a concurring opinion, but it seems to me the language goes beyond that.

Mr. Hunt: Yes, it does, sir.

Mr. O'Connell: It says, "Even though we agree there is an offence you may not prosecute." That seems to me an undesirable situation. The discretion there lies with the committee and not with the Crown. I do not see how the Crown can bind itself to that.

[*Interpretation*]

lage et n'ait ordonné que l'on prenne des mesures pour prévenir ce gaspillage.

M. O'Connell: Cela n'a trait qu'à F et G. Toutes les autres possibilités de gaspillage ne sont pas couvertes.

M. MacDonald: En approuvant ce projet de loi, le Parlement créerait un délit légal, qui devra faire l'objet d'une étude hautement technique destinée à déterminer si oui ou non le délit a été commis. Si l'article 33 est maintenu le projet de loi prévoiera, en fait, que le Comité donne un verdict sur la question du gaspillage, établisse donc que du gaspillage a eu lieu.

Qu'il s'agisse d'opinion unanime ou d'agrément, comme le président le disait, il semble que cela revienne au même. D'une façon ou d'une autre, la Couronne ne pourrait pas engager de poursuites à moins que l'on ne puisse prouver qu'un délit a été commis.

M. O'Connell: Monsieur le président, même si cela était vrai, le texte est conçu de telle façon que même si le Comité établissait le délit, il pourrait néanmoins décider de ne pas engager de poursuites. Il n'est pas souhaitable que la Couronne ne puisse pas engager des poursuites parce que le Comité n'y a pas consenti, même après avoir établi le délit.

M. Hunt: Je voudrais exposer une autre opinion sur cette question. On s'est préoccupé, au Ministère, de savoir si un spécialiste du Ministère pouvait seul déterminer s'il y a eu gaspillage. On pensait que le Comité devrait lui aussi atteindre cette conclusion. Aussi s'il ne consent pas à engager des poursuites, c'est que probablement, il n'était pas arrivé à la même conclusion que les spécialistes. C'est dans ces limites...

M. O'Connell: Je ne m'oppose pas à la question des avis concurrents, mais il me semble que le texte va plus loin que cela.

M. Hunt: En effet.

M. O'Connell: Le texte laisse entendre que même si le comité convient qu'il y a eu délit, il pourrait décider de ne pas engager de poursuites. Une telle situation n'est pas souhaitable. C'est le comité qui peut user de discrétion et non la Couronne. Je ne comprends pas que la Couronne puisse l'accepter.

[*Texte*]

Mr. Hunt: It really comes back to what Mr. MacDonald has said. Although I refer to it as a technical fact, the technical fact is based on expert opinion; because you can never get down under the ground to see what the reservoir is doing, or to see precisely what is going on. It is all inferred from the measurements you take.

I can conceive of situations where it may appear to the committee that a borderline case of waste exists, but before actually saying that it is serious enough to warrant prosecution they may be able to say, "All right; we will take no action now. A year from now we will take further measurements and determine whether the situation is becoming worse or has improved, or whether it is in fact a serious enough example of waste to warrant a prosecution."

Mr. MacDonald: For example, Mr. O'Connell, one of the situations which may be deemed to be waste is:

> (g) the failure to use suitable artificial, secondary or supplementary recovery methods in a pool when it appears that such methods would...

and so on. It is a most unusual kind of crime for which to be prosecuted. The committee may well find that there was a failure to use suitable artificial, secondary and other methods of recovery, but not agree that there should be a prosecution.

Mr. Hunt: I also think—and this may seem a rather strange thing to say—that prosecution for committing waste, shall we say, is more the stick that you wield in the administration than its application. Let us look at the things that are defined as waste, in addition to its ordinary meanings;

> (a) the inefficient or excessive use or dissipation of reservoir energy;

This actually will be controlled by regulations limiting the rate of production, or limiting the flaring of gas, and so on. But such things as, failure to comply with regulations could mean prosecution immediately.

The company, therefore, although it would be committing waste, might be prosecuted not so much for actually committing waste as for the lesser penalty of allowing gas to flare. But if it continued to do this, in spite of the fines that could be levied, then you could perhaps bring them in one waste. It is a very, very dangerous sort of stick to wield.

Mr. O'Connell: I must say I am going to try to obtain an opinion on the language there.

The only other point I was going to make, Mr. Chairman, was to give notice that I am

[*Interprétation*]

M. Hunt: La chose revient à ce que M. MacDonald disait. Pour établir un fait technique, on a besoin de l'opinion d'un expert. Il est impossible d'aller voir ce qui se passe sous terre et ce que devient le gisement. Toutes les conclusions se fondent sur les mesures prises.

Je peux comprendre qu'il arrive au Comité de constater un cas douteux de gaspillage et qu'avant de déclarer le cas assez grave pour justifier des poursuites, il donne aux intéressés un délai à l'expiration duquel de nouvelles mesures seraient prises pour déterminer si la situation s'était améliorée ou avait empiré et si elle pouvait justifier des poursuites.

M. MacDonald: Par exemple, monsieur O'Connell, voici une situation dans laquelle il y a gaspillage sans aucun doute

> «g) le défaut d'utiliser de bonnes méthodes artificielles de récupération secondaire ou supplément dans un gisement lorsqu'il apparaît que ces méthodes augmenteraient ..» etc.

C'est là un délit bien extraordinaire. Le comité pourrait fort bien constater le défaut d'utiliser de bonnes méthodes artificielles de récupération secondaire et autres et décider de ne pas engager de poursuites.

M. Hunt: Je le pense bien. Il est bien étrange de devoir dire que les poursuites pour gaspillage, c'est en quelque sorte un bâton qu'on brandit plutôt qu'un coup qu'on porte. Voyez les définitions données au gaspillage sans compter l'acception ordinaire de ce mot:

> «a) Le fait d'utiliser d'une manière inefficace ou excessive l'énergie du réservoir ou de la dissiper.»

Cela sera en fait contrôlé par des règlements qui limiteront le taux de production et autres. Ainsi, le défaut de respecter les règlements rendrait passible de poursuites immédiates.

Ainsi donc, la société, bien que coupable de gaspillage, serait poursuivie non à cause du gaspillage, mais à cause d'une infraction moins grave, comme de laisser échapper du gaz, par exemple. Et, si elle continue à le faire, en dépit des amendes imposées, alors elle pourrait être accusée de gaspillage. C'est donc un bâton qu'il est extrêmement dangereux de brandir.

M. O'Connell: J'essayerai de me faire une opinion quant à la rédaction.

L'autre point que je voulais soulever est que je vais repenser à l'article 5, peut-être

[*Text*]

going to have further thoughts on Clause 5, perhaps with a view to moving an amendment to delete it. I do not say I will, but I want to give it some thought.

Mr. Thomson (Battleford-Kindersley): The entire clause?

Mr. O'Connell: Yes. It seems to me that it might well be left to the Governor in Council's judgment to appoint persons to a committee with such powers as this one will have without there being this kind of direction. I am not too sure that this is not a rather unusual direction.

The Chairman: Mr. O'Connell, you mentioned the word "delete". My understanding of the rules is that the Committee can amend a clause but cannot delete it entirely.

Mr. O'Connell: I could easily find a way of removing some words such as "only", or of adding some words:

> ...specialized, expert or technical knowledge of oil and gas.

One could amend that sufficiently to take out that confining requirement.

As I say, I merely want to give notice that I am thinking about it.

The Chairman: Do you have any further question, Mr. O'Connell?

Mr. MacDonald: If the Committee should contemplate such a measure I think you should also hear opinions from industry.

I would like to stress again that this is an attempt to have concerted approaches and, in a sense, self-disciplining among an industry, reinforced by the structure of law. The balance of the forces is rather delicate.

Mr. O'Connell: Is this a requirement in the case of provincial boards, and so on? Is that the language used?

Mr. Hunt: As I recall, no.

Mr. O'Connell: I think it is very unusual for the Crown to be limited in such a way. Naturally, I think it would appoint this kind of person, but not exclusively. There are bigger issues involved. There is the question Mr. Thomson raised. There is the question of this general judgment. Perhaps it would not be exercised by that committee, but...

Mr. Southam: Mr. Chairman, I have a comment. This whole discussion is revolving

[*Interpretation*]

pour présenter un amendement proposant sa suppression. Je ne sais pas encore si je le ferai, mais j'y penserai.

M. Thomson (Battleford-Kindersley): Tout l'article?

M. O'Connell: Il me semble qu'on devrait laisser au gouverneur en conseil le soin de nommer les membres d'un Comité qui aura autant de pouvoirs que celui-ci. Je ne sais pas si de tels pouvoirs ne sont pas fort inhabituels.

Le président: Monsieur O'Connell, vous avez parlé de «supprimer» l'article. Si je comprends bien le Règlement, le Comité peut amender un article mais non le faire supprimer.

M. O'Connell: On pourrait certainement trouver un moyen de supprimer des expressions telles que «ne nomme que les personnes» et «des connaissances de spécialiste, d'expert ou de technicien en matière de pétrole et de gaz». On pourrait modifier le texte pour éviter qu'on se limite à ces exigences.

D'ailleurs, je voulais simplement avertir que je vais y songer.

Le président: D'autres questions, monsieur O'Connell?

M. MacDonald: Si le Comité songe à prendre de telles mesures, il me semble qu'il faudrait entendre aussi l'avis de l'industrie.

Je voudrais souligner encore que c'est là une tentative d'arriver à une approche concertée et, en un sens, d'établir une certaine autodiscipline dans l'industrie, avec la protection d'une structure législative. L'équilibre des forces est assez délicat.

M. O'Connell: Est-ce que cette exigence s'applique dans le cas des commissions provinciales et autres? Est-ce que cette même terminologie est utilisée?

M. Hunt: Je ne crois pas.

M. O'Connell: Je pense qu'il est inhabituel que la Couronne soit limitée de cette façon. Naturellement, la Couronne nommerait ce genre de personnes mais pas uniquement ce genre de personnes. Des questions plus importantes sont en cause. Il y a la question que M. Thomson a soulevée. Il y a aussi la question d'un jugement de portée générale. Peut-être cela ne sera-t-il pas appliqué par le Comité, mais...

M. Southam: Monsieur le président, une observation. Cette discussion a trait à un pro-

[*Texte*]

around a problem that I think is uppermost in the minds of many Members of Parliament and the public in general, which is: Are we, as parliamentarians, not delegating in many cases too much authority to the bureaucratic control, which raises problems and questions?

It is a sensitive area. I agree with these other gentlemen that this matter should be given further consideration.

The Chairman: I have what is more or less a supplementary question. You were referring, Mr. O'Connell, to Clause 5 of the Bill on page 4?

Mr. O'Connell: Yes.

The Chairman: I would like to know from Mr. Hunt or Mr. MacDonald whether it is expected that under Clause 4 three members of the five-man committee will be from the public service? You have a limit here, that not more than three of the Committee members shall be employees of the public service. Do you expect that there will be three, or what is the plan there? Or are you leaving it flexible?

Mr. MacDonald: It is expected that three will be from the public service.

The Chairman: So there will be at all times in all likelihood a majority of the Committee representing departmental opinion.

Mr. MacDonald: Maybe several departments.

The Chairman: Several departments, but at least representing the public; and in the event of any possible conflict of opinion over whether a particular act of a particular company is detrimental to the public interests then the public interest actually has a majority on that Committee to deal with whatever particular problem arises.

Mr. O'Connell: It may or may not.

The Chairman: It may or may not but we have had the assurance this morning, Mr. O'Connell, that it is the plan of the Department to have three members . . .

Mr. O'Connell: Yes, but that is a policy question, whereas Clause 5(1) is mandatory. One is not prepared apparently to leave that as a policy matter too.

The Chairman: Are there any other questions, because I have several questions I want to ask.

This question has to do with environmental control. I understand that when trails are cut

[*Interprétation*]

blème qui préoccupe beaucoup de députés et le public en général. La question qui se pose est la suivante: Ne sommes-nous pas en train, nous parlementaires, de conférer trop de pouvoirs à un contrôle bureaucratique qui soulève beaucoup de problèmes?

C'est un domaine délicat. Je suis de l'avis de ces messieurs qui veulent accorder plus de réflexion à la chose.

Le président: J'ai une question supplémentaire. Monsieur O'Connell, vous parliez de l'article 5 du projet de loi.

M. O'Connell: Oui.

Le président: Je voudrais savoir de M. Hunt ou de M. MacDonald si, en vertu de l'article 4, il doit y avoir trois membres sur cinq dans le comité qui appartiennent à la fonction publique? Cela établit une limite. Pas plus de trois membres du comité ne seront fonctionnaires. Prévoyez-vous qu'il y aura trois membres fonctionnaires ou bien laissez-vous la question sans réponse catégorique?

M. MacDonald: Nous nous attendons à ce que trois soient de la fonction publique.

Le président: Donc il y aurait, en tout temps et en toute probabilité, une majorité du Comité qui représente l'opinion du ministère.

M. MacDonald: Peut-être plusieurs ministères.

Le président: Plusieurs ministères, mais qui au moins représenteraient l'opinion publique; et s'il y a quelque conflit d'opinions au sujet de savoir si une société en particulier agit contrairement à l'intérêt public, les membres qui représentent l'intérêt public et qui détiennent la majorité au Comité sont en mesure de faire face aux problèmes qui se posent.

M. O'Connell: Cela se peut ou pas.

Le président: Oui, mais on nous a assurés ce matin, monsieur O'Connell, que le ministère entend avoir trois membres.

M. O'Connell: Oui, mais c'est une question de politique, alors que l'article 5(1) du bill est obligatoire. Apparemment, on n'est pas non plus disposé à considérer cela comme étant une question de politique.

Le président: Est-ce qu'il y a d'autres questions, parce que j'en aurais moi-même plusieurs à poser.

Il paraît que lorsque des pistes sont tracées à travers la toundra des régions du Nord sur

[*Text*]

across the northern tundra over the permafrost the breaking of the surface causes indentations during the summer in the permafrost resulting in washouts and you end up with a huge gully where once a road existed. I further understand that there are ways of more or less protecting this erosion of the permafrost. Do you contemplate any action being taken by the Committee under this Bill to protect the surface in some way, and was this in your minds when you were drafting these regulations? Are there efficient means available to protect the surface?

Mr. Hunt: This Bill of course does not contain specific provisions for regulating the protection of the environment. My suggestion is that it would be preferable perhaps to develop these under the Territorial Lands Act, but emphasizing that the intent is there to do so.

From the practical point of view of whether we can control it, it can be kept to what we hope would be a reasonable minimum. There is no way entirely of eradicating the signs of the passage of a vehicle over the tundra. However, if it passes over the tundra during the frozen period and if there are regulations requiring that the surface insulating land not be disturbed by the bulldozer blade when he is ploughing the snow, which is not that thick, the effect is kept to a minimum. If in areas where it is absolutely necessary to operate during the summer perhaps the approach might be to insist on a wide-tracked Nodwell vehicle. Sometimes it is better to pass along one track only once and, if you must come back with the bulldozer, pass over a new piece of ground. In this way you just flatten it very slightly and it will eventually recover.

In part the reason that we have of course not ready at hand environmental protection regulations is that a great deal of research in some areas needs to be done to see what we should in fact include in the regulations. It is going to be very difficult because of course the only way to absolutely protect the environment is to absolutely prohibit. So we have to move from that point in some way.

Admittedly, it is only a suggestion but we have sent around circular letters to the industries indicating to them some of the things that we do know about keeping the blades high and avoiding constant retravel over the same route, particularly in the summer, and asking them to please comply with these suggestions. Once we have the regulations of course they will have to be complied with.

The Chairman: Anyway, you are planning to do something about this particular problem.

[*Interpretation*]

le perma frost, les fissures causées à la surface peuvent provoquer pendant l'été des ruptures du perma-gel. L'eau s'y infiltre, emporte la surface et, au bout d'un certain temps, les routes ne sont plus que des fossés. Il y a moyen, paraît-il, d'éviter cette érosion du perma frost. Le Comité envisage-t-il d'intervenir aux termes de cette Loi pour protéger la surface, en quelque sorte, et en avez-vous tenu compte au moment où vous rédigiez ces règlements? Y a-t-il des moyens efficaces pour protéger la surface?

M. Hunt: Dans ce projet de loi, on ne trouve pas de dispositions précises pour réglementer la protection de la région. Je crois qu'il serait préférable de mettre au point ces dispositions et de les inclure dans la Loi sur les terres territoriales, tout en s'assurant de les appliquer.

En pratique, nous pouvons, dans une certaine mesure parvenir à contrôler la situation. Je ne vois pas de moyen vraiment sûr d'éliminer le passage d'un véhicule à travers la toundra. Cependant, s'il passe sur la toundra durant la période de gel, et s'il y a des règlements exigeant que la surface qui isole le sol ne soit pas endommagée par la lame du bulldozer qui déblaie la neige, qui n'est pas épaisse, les dégâts peuvent être réduits au minimum. S'il s'agit de régions où il est absolument nécessaire d'opérer durant l'été peut-être qu'on pourrait insister que l'on utilise un véhicule Nodwell à chenille parge. Il est parfois préférable de ne jamais passer sur une même voie plus d'une seule fois. Ainsi, vous n'aplatissez la voie qu'une seule fois, laquelle se recouvrira éventuellement par une autre couche de neige.

La raison pour laquelle nous ne disposons pas de règlements en vue de protéger le milieu environnant, est due en partie au fait qu'il reste beaucoup de recherche à faire pour ce qui est de tout ce qui devrait, en fait être ajouté aux règlements. Évidemment, la seule façon de protéger le milieu serait d'interdire complètement l'accès. Par conséquent, c'est à partir de ce point que l'on doit agir. Il est évident qu'il s'agit là d'une proposition, mais nous avons distribué des lettres circulaires à toutes les industries, attirant leur attention sur le fait de maintenir les lames haut et d'éviter de repasser sur la même voie, surtout en été, et leur demandant de se conformer à ces propositions. Une fois que les règlements sont établis, ils devront s'y conformer.

Le président: Quoi qu'il en soit, vous comptez faire quelque chose à ce sujet.

[*Texte*]

Mr. Hunt: Yes. It will involve regulations. We are still determining whether the present provision of the Territorial Lands Act contains adequate legislative authority or whether it will be necessary to recommend that there be an additional amendment for the Territorial Lands Act.

The Chairman: Do we have regulations comparable to these provided for in Bill S-29 for what we refer to as offshore oil lands which are the responsibility of the federal government? What are we doing in that area? Why are these not applicable also to offshore oil lands? Why has this Bill not also been broadened to include offshore oil lands?

Mr. Hunt: I think perhaps there are two reasons. First of all it was thought desirable that at this stage at any rate there should be appropriate legislation that had specific reference to the Yukon and Northwest Territories.

They are geographic entities and of course they may one day develop along specified lines, although we do not know which lines at this moment, and it was felt appropriate to have specific legislation for these particular areas. This was not meant to suggest that there was no requirement for, shall we say, almost equivalent legislation offshore. While these regulations here do provide for the control of drilling in water-covered areas, admittedly it was developed more with the idea of drilling in inland lakes and so on and not miles offshore. And I think there would be a need to expand what is in here to some extent to be more specific in offshore requirements. The other reason is, of course, the Santa Barbara development and so on. As I understand it the Department of Energy, Mines and Resources, from their point of view, are looking quite extensively at what is required and my information is that they are very much aware of the need and are looking at it at this point in time.

The Chairman: You mentioned that this Bill was designed only partially with offshore areas in view. I presume that you mean by that you had the offshore areas of the Arctic in view when you designed this but you were not thinking about the offshore areas on the Pacific, Hudson Bay and the Atlantic. Is this correct?

Mr. Hunt: No, Mr. Chairman. I am not sure we should differentiate. Actually the Arctic is perhaps an even more specialized case of offshore because of the ice and the problems that that poses. What I am suggesting here is that it has become more apparent as a result of the Torrey Canyon disaster and the Santa

[*Interprétation*]

M. Hunt: Oui. Cela implique nécessairement une réglementation. Nous essayons encore de savoir si les dispositions actuelles de la loi sur les terres territoriales comportent assez d'autorité ou s'il sera nécessaire de recommander l'amendement de la Loi sur les terres territoriales.

Le président: Est-ce que nous avons des règlements comparables à ceux que renferme le Bill S-29 touchant les terres pétrolifères au-delà des côtes et qui relèvent du gouvernement fédéral? Qu'est-ce que nous faisons dans ce domaine? Pourquoi ces règlements ne s'appliquent-ils pas aux gisements pétroliers côtiers ou sous-marins? pourquoi le Bill n'a-t-il pas été élargi pour couvrir ces gisements?

M. Hunt: Il y a deux raisons, je pense. D'abord, on a cru opportun, au point où nous en sommes du moins de prévoir des mesures appropriées portant expressément sur le Yukon et les Territoires du Nord-Ouest.

Ce sont des entités géographiques et leur développement peut prendre une certaine orientation bien que celle-ci ne soit pas bien définie à l'heure actuelle, et nous avons cru nécessaire d'avoir une mesure législative expresse pour ce territoire. Cela ne veut pas dire qu'il ne faudrait pas plus de mesure législative pour les droits côtiers. Bien que la Loi prévoie ici le contrôle du forage sous-marin, il s'agissait surtout des droits de forage dans les lacs intérieurs et non pas à des milles de distance des côtes. Et je pense qu'il faudra élargir ces règlements dans une certaine mesure pour couvrir plus spécifiquement les gisements au-delà des côtes.

L'autre raison, est évidemment le projet de Santa Barbara et ainsi de suite. Si je comprends bien, le ministère des Mines et des Ressources s'occupe très activement des exigences et sont très au courant des besoins qui font actuellement l'objet d'une étude.

Le président: Vous avez mentionné que ce projet de loi visait seulement en partie les gisements sous-marins. Je présume que vous songez si j'ai bien compris, aux régions de l'Arctique, mais que vous ne pensiez pas aux régions côtières du Pacifique et à la Baie d'Hudson, et l'Atlantique. Est-ce exact?

M. Hunt: Non, non. Je ne pense pas que nous devions faire une différence. En fait, il faut se rendre compte que les gisements sous-marins dans l'Arctique sont un cas bien spécial à cause des glaces et des problèmes qui en découlent. Disons tout simplement que ce sont devenues des choses plus claires à cause

[*Text*]

Barbara disaster that there may be a need for some additional special legislative authorization for an act applying offshore.

I do not want to suggest that there will be, maybe this will be appropriate, but there is an immediate need in the Northwest Territories and the Yukon, with production probably starting next year, to control this. Frankly, at the moment, although the companies are very co-operative, we have nothing with which really to go and make sure.

The Chairman: This measure being an urgent measure, in your opinion it may still not contain all the provisions necessary to deal with all possible offshore situations and you feel in consequence that further legislation may be necessary even for the Arctic area to deal with offshore drilling.

Mr. Hunt: It may be, yes. I think in terms of words it may be very few words, but there may just be the need for little extras.

The Chairman: Would it not be wiser to at least give the committee which will be set up power to deal with the possibility of dangerous situations, such as the Santa Barbara situation. If there is going to be offshore drilling in the Arctic are we assured there is no danger of a Santa Barbara situation occurring, and does this bill give the committee all the tools and powers necessary to ensure that a company is taking all possible human steps available to them at the particular time they are drilling? Are we assured that this committee will be so empowered under this bill? If we are not assured of that, then surely we could stick a few extra words in here.

Mr. Hunt: I think in the main this bill would apply to offshore operations and would provide the necessary authorization to control them reasonably well. Of course, at this point in time the Department of Indian Affairs and Northern Development has not been dealing with offshore operations to anything like the extent that the Department of Energy, Mines and Resources has, and therefore I am not quite sure whether that Department feels there should be additional provisions. This is why I am hesitating.

[*Interpretation*]

des désastres survenus à Torrey Canyon, et à Santa Barbara, etc.... mais, une loi de ce genre paraît de plus en plus nécessaire, et qui s'appliquerait aux gisements sous-marins. Je ne dis pas qu'il y aura nécessairement une telle législation, celle que nous avons suffira peut-être, mais pour ce qui est des Territoires du Nord-Ouest et du Yukon, surtout si les travaux de forage doivent débuter l'année prochaine, il s'agit de contrôler cela immédiatement. A vrai dire, bien qu'à l'heure actuelle les sociétés soient prêtes à collaborer, il faut malgré tout que nous trouvions une mesure de contrôle de ce genre.

Le président: Et à votre avis, cette mesure ne renferme pas toutes les dispositions qui pourront être nécessaires à l'égard de tous les cas possibles d'exploitation sous-marine? En conséquence, vous estimez qu'il sera peut-être nécessaire d'adopter une autre mesure, même pour la région de l'Arctique, pour le forage sous-marin?

M. Hunt: C'est possible. Il ne s'agira peut-être que d'ajouter quelques mots seulement, mais qui sont très importants en cas de besoin.

Le président: Est-ce qu'il ne serait pas plus sage de donner au comité qui sera établi le pouvoir de parer à des situations dangereuses qui pourraient se présenter, comme l'affaire de Santa Barbara, par exemple? Et s'il doit y avoir du forage sous-marin dans l'Arctique, est-ce que nous sommes assurés qu'il n'y aura aucun danger de répétition de ce qui s'est passé à Santa Barbara? Est-ce que le Bill donne au Comité tous les outils et tous les pouvoirs nécessaires pour qu'il s'assure qu'une compagnie prend toutes les précautions humainement possibles au moment du forage? Est-ce que nous sommes certains que le Comité aura ces pouvoirs? Si nous n'en sommes pas certains nous pourions peut-être ajouter quelques mots au bill?

M. Hunt: Je pense que, dans l'ensemble, ce projet de loi s'applique à l'exploitation sous-marine et prévoit les pouvoirs qu'il faut pour en assurer la surveillance raisonnable. Bien sûr, jusqu'ici, le ministère des Affaires Indiennes et du Nord canadien n'a pas eu à se préoccuper de l'exploitation sous-marine au point où s'en est occupé le ministère de l'Énergie, des Mines et des Ressources. Je ne suis pas certain si le ministère pense qu'il faudra d'autres dispositions. Voilà pourquoi j'hésite.

[*Texte*]

Mr. Southam: I would like to substantiate Mr. Watson's concern about this matter. What provisions are laid down in other pieces of legislation as far as Canada is concerned? In other words, I believe we are thinking here in terms of writing in, as you say, a few words or a clause which will emphasize the deterrent, whatever it may be, so that companies involved will take the necessary precautions. An ounce of prevention is worth a pound of cure, and I think Mr. Watson has a point that we should be gravely concerned with before we pass this bill.

The Chairman: Do you think it would be advisable, Mr. Hunt, for us to call in somebody from the Department of Energy, Mines and Resources and ask them about it? There seems to be some hesitation on your part in this one area. You appear to be slightly unsure that we have everything covered so far as empowering the committee to deal with situations such as the one in Santa Barbara. If there is any hesitation about this, surely we could at least give the committee power to deal with such situations or at least give the Department power to enact all the regulations that will be necessary, without having to come back to Parliament for further changes. If this is in fact the situation, if by this proposed Act we will enable the Minister to enact all the conceivable regulations that you can foresee as being scientifically likely in order to deal with these Santa Barbara type offshore situations...

Mr. Hunt: Clause 12(m) reads:

> prescribing the conditions under which drilling operations may be carried out in water-covered areas and any special measures to be taken for such operations;

This may indeed be adequate. I am just being hesitant because at this point in time we have not looked at this in great detail and I am not quite sure what the...

The Chairman: I think it would be fair Mr. Hunt, if we asked that between now and the next meeting you consult with the Department of Energy, Mines and Resources simply to determine whether they feel this will enable you to do everything that is scientifically possible at this stage.

Mr. Hunt: I would be more than pleased to do that.

The Chairman: All right. I just have one further question. In connection with Clause 16, is there any right to appeal? It reads:

[*Interprétation*]

M. Southam: Je voudrais confirmer l'inquiétude de M. Watson à ce sujet. Quelles sont les dispositions qui existent déjà dans d'autres mesures législatives? Ici, je pense que vous parlez d'ajouter quelques mots ou un article à la Loi pour prévoir un préventif quelconque, afin qu'on prenne les précautions nécessaires. Il vaut mieux prévenir que guérir. Je crois que M. Watson a raison et qu'il nous faudrait des explications là-dessus avant que nous adoptions le projet de loi.

Le président: Peut-être, monsieur Hunt, pensez-vous qu'il y aurait lieu de convoquer quelqu'un du ministère de l'Énergie des Mines et des Ressources afin qu'il nous parle de ceci? Il semble y avoir une certaine hésitation de votre part sur ce point particulier. Vous ne semblez pas tout à fait sûr que tous les cas sont prévus et que le Comité a les pouvoirs nécessaires pour empêcher la répétition de ce qui s'est passé à Santa Barbara. S'il y a hésitation, nous pourrions sans aucun doute accorder au Comité le pouvoir de régler ces cas, ou fournir au ministère le pouvoir d'édicter tous les règlements qui seront nécessaires sans avoir à demander au Parlement d'apporter des changements. Si cette situation existe, si cette loi qu'on projette permet au ministre d'édicter tous les règlements possibles et imaginables, qu'on croit nécessaires sur le plan technique pour prévenir toute situation du type de celle de Santa Barbara...

M. Hunt: L'alinéa *m*) de l'article 12 se lit ainsi:

> prescrivant les conditions auxquelles des opérations de forage peuvent être effectuées dans des zones submergées et toutes mesures spéciales à prendre pour ces opérations;

Ce texte est peut-être insuffisant. Nous n'avons pas examiné ce point en détail jusqu'ici et je ne suis pas très sûr de...

Le président: Je pense que ce serait juste si nous demandions à M. Hunt, d'ici notre prochaine séance, de consulter le ministère de l'Énergie, des Mines et des Ressources pour déterminer si, selon cet organisme, cette loi permettrait de faire tout ce qu'il est possible d'accomplir du point de vue scientifique en ce moment.

M. Hunt: Je le ferai volontiers.

Le président: Une autre question. Est-ce qu'il y a droit d'appel, selon l'article 16?

[*Text*]

(1) A person aggrieved by an order of the Chief Conservation Officer...may appeal to the Committee...

And the committee then makes a decision. What happens if you do not agree with the decision of the committee? Is there a further appeal to the Exchequer Court?

Mr. Hunt: Yes, there are two types of appeal.

The Chairman: There is nothing in Clause 16 which indicates the right of appeal.

Mr. Hunt: No. From the point of view of actual decisions of the committee, Clause 41 provides for:

(1) An appeal...from a decision or order of the Committee to the Supreme Court of Canada upon a question of law or a question of jurisdiction,...

provided leave to appeal has been obtained. Under Clause 40 there is also an appeal to the Governor in Council from an order of the committee. I might point out that the difference there is that the appeal to the Governor in Council would really be on matters of policy. If, as you suggested, the Minister were unhappy from a policy point of view with a decision of the committee, he could appeal it to the Governor in Council.

The Chairman: But you are not limiting this to policy. For example, if an individual or a company felt that it had been aggrieved by an order of the conservation officer, and this company got nowhere in appealing to the committee, he could then—not only on a question of policy but also on a question of the fact—appeal to the Minister.

Mr. Hunt: He could. And he could appeal to the Governor in Council.

The Chairman: But can he appeal to the Exchequer Court?

Mr. Hunt: Yes, he can appeal to the Supreme Court. Perhaps I could go through this for a minute. Clause 38(2) says first of all that the Exchequer Court has exclusive jurisdiction to hear writs of certiorari, prohibition or mandamus, or for any injunction. However, Clause 38 (3) says that a decision or order of the committee is not subject to review or to be restrained or set aside on the ground that the question of law or fact was erroneously decided by the committee or that the committee had no jurisdiction. This makes it clear that the first court of appeal is at the Exchequer Court level, not at a local

[*Interpretation*]

Une personne qui s'estime lésée par une ordonnance du Directeur de conservation rendue après enquête en vertu de l'article 14, peut en appeler au Comité pour faire reviser l'ordonnance.

Et le Comité fait sa décision.

Qu'est-ce qui se passe si vous n'êtes pas d'accord avec la décision du Comité? Est-ce qu'il y a un autre appel possible, devant la Cour de l'Échiquier.

M. Hunt: Oui, il y a deux possibilités d'appel.

Le président: Je ne trouve rien à l'article 16 qui indique qu'un appel soit possible.

M. Hunt: Non. Du point de vue des décisions du Comité, l'article 41 prévoit: ... «un appel... d'une décision ou d'une ordonnance du Comité, à la Cour suprême du Canada, sur un point de droit ou sur un point de compétence», à condition d'avoir obtenu l'autorisation d'en appeler devant ce tribunal. De plus, il y a appel au gouverneur en conseil, aux termes de l'article 40, quant à une ordonnance du Comité. Il y a une distinction à faire. L'appel au gouverneur en conseil s'appliquerait aux questions de politiques. Si, comme vous le dites, le ministre n'est pas satisfait d'une décision du Comité, du point de vue de la politique générale, il peut en appeler au gouverneur en conseil.

Le président: Il ne faut pas limiter cela aux questions de politiques. Si un particulier ou une société s'estimait lésé par une ordonnance d'un agent de la conservation et que la compagnie n'était pas soutenue en appel devant le Comité, il pourrait en appeler devant le ministre, non seulement sur une question de principe, mais sur une question de faits.

M. Hunt: Il pourrait en appeler au gouverneur en conseil.

Le président: Est-ce qu'il y a droit d'appel devant la Cour de l'Échiquier?

M. Hunt: Oui. Je devrais peut-être lire l'article 38 du Bill. 38 (2) La Cour de l'Échiquier du Canada a compétence exclusive en premier ressort pour entendre et juger toute demande de bref de certiorari, prohibition ou mandamus ou toute demande d'injonction relative à toute décision ou ordonnance du Comité ou toute procédure devant le Comité. Cependant, l'alinéa (3) de ce même article dit qu'une décision ou une ordonnance du Comité ne peut pas faire l'objet d'une revision, être restreinte ou supprimée parce que la question de droit ou de fait a été réglée de façon erronée par le Comité, ou que le Comité n'a

[*Texte*]

court level, and that is the intent of Clause 38.

Secondly, there would be an appeal to the Exchequer Court on what I understand, shall we say, are generally classed as matters of natural law, but on technical matters of law the appeal lies either to the Supreme Court on leave therefor being obtained or to the Governor in Council, and the appellant really would have the choice. Mind you, he might be refused on his request for appeal to the Supreme Court. He might have only the Governor in Council to appeal to.

The Chairman: So, really, individuals or companies have a number of possible recourses here. Even though by Subsection (3)(a) of Section 38 you cannot refer a question of fact decided by the Committee to the Exchequer Court, you can refer it to the Minister.

Mr. Hunt: That is right, to the Governor in Council.

The Chairman: To the Governor in Council. All right, that answers that for me.

I have one further question. It has nothing really to do with this Act. Has Panarctic started to drill yet?

Dr. H. Woodward (Chief, Oil and Gas Division, Development Branch, Economic Development, Department of Indians Affairs and Northern Development): As of 10.30 p.m. Saturday night.

Mr. Thomson (Battleford-Kindersley): That should be specific enough.

Dr. Woodward: There is a press release out. I believe it was out late last night.

Mr. Thomson (Battleford-Kindersley): They have not found any oil yet?

Dr. Woodward: Not yet.

The Chairman: How many feet a day would...

Dr. Woodward: As you know the Governor General will be visiting the site next Saturday. If they are at all lucky they may well have dug the original hole and probably put in surface casing. It is likely to be anywhere from four to six months to complete the well.

[*Interprétation*]

pas compétence. En fait, il est déclaré clairement que le privilège d'appel de première instance s'applique à la Cour de l'Échiquier et non pas à un tribunal local. Et c'est là le sens de l'article 38.

Deuxièmement, il y a appel à la Cour de l'Échiquier pour les questions de droit naturel, si je puis m'exprimer ainsi. Sur les points techniques, il faut en appeler à la Cour suprême, avec autorisation, ou au gouverneur en conseil. L'appelant aurait le choix. Toutefois, on peut lui refuser le droit d'appel devant la Cour suprême. Il ne lui restera que le droit d'appel devant le gouverneur en conseil.

Le président: Donc, les individus ou les sociétés peuvent recourir à diverses méthodes. Même si en vertu de l'alinéa *a*) du paragraphe (3) de l'article 38 vous ne pouvez renvoyer à la Cour de l'Échiquier une décision du Comité, vous pouvez toujours la référer au ministre.

M. Hunt: C'est exact, au gouverneur en conseil.

Le président: Au gouverneur en conseil. Voilà qui répond à ma question.

J'ai une autre question qui, de fait, n'a aucun rapport avec la loi. Est-ce que la *Panarctic* a entrepris ses travaux de forage?

M. H. Woodward (chef, Division du pétrole et du gaz, Direction du développement (expansion économique), ministère des Affaires indiennes et du Nord canadien): Oui, depuis 10 h. 30 samedi soir.

M. Thomson (Battleford-Kindersley): Voilà qui devrait être assez précis.

M. Woodward: Un communiqué a été publié, je crois qu'il a été rendu public, tard, hier soir.

M. Thomson (Battleford-Kindersley): Ils n'ont pas encore trouvé d'huile?

M. Woodward: Pas encore.

Le président: Combien de pieds par jour...

M. Woodward: Comme vous le savez, le Gouverneur général visitera les lieux samedi prochain. S'ils sont le moindrement chanceux ils auront probablement foré un premier trou et entrepris l'installation du matériel. Il faudra vraisemblablement entre quatre et six mois avant que le puits ne soit complètement creusé.

[*Text*]

The Chairman: How deep do they plan to go?

Dr. Woodward: The projected drilling depth now is 10,000 feet, but they may go 1,000 or 2,000 feet beyond that.

The Chairman: Our next meeting will be on Thursday, but we will be having a steering committee meeting before then to decide a couple of matters.

[*Interpretation*]

Le président: Jusqu'à quelle profondeur ont-ils l'intention de se rendre?

M. Woodward: Présentement, ils prévoient forer jusqu'à une profondeur de 10,000 pieds mais il est possible qu'ils aillent à mille ou 2,000 pieds plus bas.

Le président: Notre prochaine séance se déroulera jeudi, mais il y aura d'ici là une réunion du comité de direction, puisque diverses questions doivent d'abord être réglées.

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY JUN 9 1969 UNIVERSITY OF TORONTO

No. 20

TUESDAY, MAY 6, 1969

LE MARDI 6 MAI 1969

Respecting

BILL S-29,

Oil and Gas production and Conservation Act.

Concernant

BILL S-29,

Loi sur la production et la conservation du pétrole et du gaz.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*

Vice-Chairman — Mr. Paul St-Pierre — *Vice-Président*

and Messrs. — et Messieurs

[1] Badanai,
Buchanan,
Cullen,
Deakon,
Dinsdale,
Duquet,
Hymmen,
Gundlock,
Hogarth,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
[3] Orange,
Orlikow,
Simpson,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65 (4) (b)

[1] Replaced Mr. Kaplan May 5, 1969.
[2] Replaced Mr. Allmand May 5, 1969.
[3] Replaced Mr. O'Connell May 5, 1969.

Conformément à l'article 65(4)b) du Règlement

[1] Remplace M. Kaplan le 5 mai 1969.
[2] Remplace M. Allmand le 5 mai 1969.
[3] Remplace M. O'Connell le 5 mai 1969.

MINUTES OF PROCEEDINGS

TUESDAY, May 6, 1969.
(21)

[*Text*]

The Standing Committee on Indian Affairs and Northern Development met this day at 11.20 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Buchanan, Cullen, Deakon, Dinsdale, Hymmen, Gundlock, Marchand (*Kamloops-Cariboo*), Orange, Southam, St. Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(14).

Witnesses: From the Canadian Petroleum Association: Mr. Ed. Lewis, Q.C., Member and past Chairman of Association's Legal Committee; Mr. James MacNicol, Ottawa Manager and Pipeline Division Manager of the Association; Mr. James McDonald, Vice-Chairman of the Central Reserves Committee and Chairman of the Alberta Regulation Review Committee of the Association; Mr. L. K. Walton, Past Chairman N.W.T. Committee of the Association.

The Chairman reported that the Subcommittee on Agenda and Procedure had met on Monday, April 28, 1969 and was of the opinion that the Committee should devote the remainder of its hearings to the subjects—Indian Housing and Education.

The Committee resumed consideration of Bill S-29, An Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories.

On Clause 1

The Chairman introduced the witnesses and after Mr. Lewis had made a statement, they were questioned.

Later, Clause 1 was allowed to stand.

Clauses 2 and 3 were carried.

Clauses 4, 5 and 6 were allowed to stand.

Clauses 7 to 12 were carried.

PROCÈS-VERBAL

Le MARDI 6 mai 1969.
(21)

[*Traduction*]

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 20, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Buchanan, Cullen, Deakon, Dinsdale, Hymmen, Gundlock, Marchand (*Kamloops-Cariboo*), Orange, Southam, St-Pierre, Thomson (*Battleford-Kindersley*), Watson, Yewchuk—(14).

Témoins: De la Canadian Petroleum Association: M. Ed. Lewis, c.r., membre et ex-président du Comité des questions juridiques de l'Association; M. James MacNicol, directeur du bureau d'Ottawa et directeur de la Division des pipe-lines de l'Association; M. James McDonald, vice-président du Comité central des réserves et président du Comité de revision des règlements de l'Association de l'Alberta; M. L. K. Walton, ex-président du Comité des Territoires du Nord-Ouest de l'Association.

Le président annonce que le sous-comité du programme et de la procédure s'est réuni le lundi 28 avril 1969, et est d'avis que le Comité devrait consacrer les séances qui lui restent aux questions suivantes: logement et éducation des Indiens.

Le Comité reprend l'examen du Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest.

Sur l'article 1

Le président présente les témoins, qui, après que M. Lewis eut fait une déclaration, répondent à des questions.

Par la suite, l'article 1 est réservé.

Les articles 2 et 3 sont adoptés.

Les articles 4, 5 et 6 sont réservés.

Les articles 7 à 12 sont adoptés.

20207—1½

Clause 13 was allowed to stand.

Clauses 14 to 58 inclusive were carried.

The Committee reverted to consideration of Clause 1 and general questioning continued. Later, the Chairman and members of the Committee thanked the witnesses.

At 1.15 p.m., on motion of Mr. Cullen, the Committee adjourned to the call of the Chair.

L'article 13 est réservé.

Les articles 14 à 58 inclus sont adoptés.

Le Comité revient à l'examen de l'article 1, et l'interrogatoire général se poursuit. Par la suite, le président et les membres du Comité remercient les témoins.

A 1 h. 15 de l'après-midi, sur la proposition de M. Cullen, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby.
Clerk of the Committee.

[*Texte*]

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, May 6, 1969

• 1116

The Chairman: Gentlemen, I see a quorum. Before proceeding with today's business I would like to give you an indication of what the Subcommittee decided upon last week. It was the decision of the Subcommittee that for the remainder of the session after completing Bill S-29 that the Committee devote itself in particular to two topics concerning Indian affairs: Education and Housing.

It is the feeling of the Subcommittee that the Committee has to start to prepare a report for the House by the middle of May if we are going to have anything ready for the end of May when the estimates will automatically revert to the House of Commons.

On this point, we have dealt with two or three subjects in detail since last autumn: jobs, the question of employment for Indian people and Eskimo people; friendship centres and Indian handicrafts.

It would be my suggestion, if we are going to make a useful report, that we have a combined effort on these topics by members of the Committee, not just members of the steering committee. So, if any member of the Committee has a particular interest in any of the topics which I have just mentioned or in education or housing, would you communicate with me or members of the steering committee and simply offer your co-operation. We would appreciate any ideas that you may have on these subjects for purposes of the report which I hope we will be able to start in about 10 days time. Therefore, members of the Committee, would you please indicate your interest to the steering committee members?

The witnesses who are here today on Bill S-29, an Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories, are Mr. D. E. Lewis, Q.C., Member and past Chairman of the Canadian Petroleum Association Legal Committee; Mr. James MacNicol, Ottawa Manager and Pipeline Division Manager of the Canadian Petroleum Association; and Mr. J. B. McDonald, Vice-Chairman of the Central Reserves Committee and Chairman of

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 6 mai 1969

Le président: Nous avons le quorum, messieurs. Avant d'entreprendre l'ordre du jour d'aujourd'hui, je veux d'abord vous donner une indication de ce que le sous-comité a décidé la semaine dernière. Il a décidé que, pour le reste de la session, après que nous aurons fini l'étude du Bill S-29, le Comité se consacre surtout à l'étude de deux sujets concernant les Affaires indiennes, l'éducation et le logement.

Le sous-comité est d'avis que le Comité devrait commencer à rédiger un rapport à soumettre à la Chambre à la mi-mai, si nous voulons avoir quelque chose de prêt pour la fin de mai lorsque les prévisions budgétaires seront automatiquement présentées à la Chambre des communes.

A cet égard, messieurs, nous avons traité deux ou trois sujets depuis l'automne dernier, concernant les emplois pour les Esquimaux et les Indiens, les centres d'accueil et l'artisanat indien.

Je propose, si nous devons présenter un rapport utile, de concerter nos efforts sur ces sujets, pas seulement un effort de la part du sous-comité mais de tout le comité. Alors, si quelqu'un ici s'intéresse à un sujet en particulier, ou à l'éducation et au logement, qu'il se mette en contact avec moi ou avec les membres du comité directeur et offre sa collaboration. Nous vous saurions gré des idées que vous voudriez bien nous apporter sur ces sujets aux fins du rapport dont la préparation devrait commencer dans à peu près dix jours. Alors, je demanderais aux membres du Comité d'indiquer les sujets qui les intéressent aux membres du comité directeur.

Les témoins que nous avons parmi nous aujourd'hui, relatif au Bill S-29 concernant la production et la conservation du pétrole et du gaz dans les Territoires du Yukon et du Nord-Ouest, sont: M. Ed. Lewis, c.r., membre et ex-président du Comité des questions juridiques de la *Canadian Petroleum Association*, M. James MacNicol, directeur du bureau d'Ottawa et directeur de la Division des pipelines de la *Canadian Petroleum Association* et M. James McDonald, vice-président du Comité

[*Text*]

the Alberta Regulation Review Committee of the Canadian Petroleum Association; and Mr.

• 1120

L. K. Walton, past Chairman of the Northwest Territories Committee of the Canadian Petroleum Association.

We are very pleased to have you gentlemen with us this morning. I realize that you have had difficulties getting transportation and we appreciate your presence.

We have been in touch with Mr. Nickle the President of the Independent Petroleum Association of Canada, and we have been informed that the Independents are satisfied with the Bill and do not wish to add anything to what they said before the Senate Committee. The General Manager of the IPAC has indicated to the Clerk of the Committee that he is sending him a letter to this effect, but Mr. Kirby indicates that he has not yet received the letter.

The governments of the provinces of Alberta, and Saskatchewan have not indicated any interest in appearing before the Committee on this measure. Their interest is in the national oil policy.

Unless the Committee wishes otherwise, we will proceed to hear from the witnesses who are present this morning and this will be followed by questioning.

Mr. Lewis, I wonder if you could indicate to the Committee whether you have reservations about Bill No. S-29, or whether you have any criticisms that you would like to direct to the Committee on this Bill, and give us a general idea of what your feelings are on this Bill.

Mr. D. E. Lewis, Q.C. (Member and Past Chairman of Canadian Petroleum Association Legal Committee): With your permission, Mr. Chairman, I would like to start by giving the Committee an indication of what the Canadian Petroleum Association is, a little more detail on the witnesses who are appearing here, and then go on with the position that we take on the Bill itself.

The Canadian Petroleum Association is a non-profit organization consisting of more than 200 companies engaged in the oil and gas industry in Canada. About half of the membership is directly involved in exploration, development, production and transportation of crude oil and natural gas and gas

[*Interpretation*]

central des réserves et président du Comité de revision des règlements de l'Alberta de la *Canadian Petroleum Association* et M. L. K. Walton, ex-président du Comité des Territoires du Nord-Ouest de la *Canadian Petroleum Association*.

Nous vous souhaitons la bienvenue; nous savons que vous avez eu des difficultés à vous rendre à cause des problèmes de transport et nous vous sommes reconnaissants de votre présence.

Nous avons été en contact avec le Président de la *Independent Petroleum Association of Canada*, M. Nickle qui nous dit que les sociétés indépendantes sont satisfaites du Bill et ne veulent rien ajouter à ce qui a été dit devant le Comité du Sénat. Le Directeur général de IPAC a dit au secrétaire du Comité qu'il lui enverrait une lettre à cet égard mais M. Kirby, me dit qu'il n'a encore rien reçu.

Les gouvernements des provinces de l'Alberta et de la Saskatchewan ne semblent pas interessés à comparaître devant le Comité à ce sujet. Ils s'intéressent surtout à la politique nationale concernant le pétrole.

A moins que le Comité en décide autrement, nous allons écouter les exposés des témoins ici présents et nous aurons ensuite une séance de questions.

Pourriez-vous dire au Comité, Monsieur Lewis, si vous avez des réserves à exprimer à propos du Bill S-29 ou des critiques à exprimer au Comité à cet égard? Pourriez-vous nous donner une idée générale de vos sentiments à l'égard de ce Bill?

M. D. E. Lewis (Membre et ex-président du Comité des questions juridiques de la Canadian Petroleum Association): Avec votre permission, monsieur le président, j'aimerais commencer par donner au Comité une indication de ce qu'est la *Canadian Petroleum Association* et donner une idée plus détaillée des témoins qui comparaissent devant le Comité et puis, ensuite, vous donner un exposé de notre attitude envers le Bill lui-même.

La *Canadian Petroleum Association* est une société à but non lucratif groupant deux cents sociétés de l'industrie du pétrole et du gaz au Canada. La moitié des membres s'intéresse à l'exploitation, au développement, à la production et au transport du pétrole brut, du gaz naturel et des produits de gaz. L'autre moitié

[*Texte*]

products. The other half is engaged in activities ancillary to the exploration and production phase.

The membership represents the working interest owners, as distinct from the royalty owners of approximately 95 per cent of Canada's oil and gas production. I might say here that most of the independents are members of the Canadian Petroleum Association.

The Association has a division in each of British Columbia, Alberta and Saskatchewan. These are separate entities dealing with the problems in those provinces and they deal directly with the governments of those provinces on matters pertaining to the provinces. So far as the common problems are concerned, or problems of the Northwest Territories and the Yukon, those are looked after by a central committee which have representatives on the Committee from each of the provinces. It is headed by a Board of Governors.

The work, as in other major organizations in Canada, is done through a Committee system. There are a number of these Committees, and they include members from the member companies. They are in all phases of activity. There is the Canada Lands Committee with a Land and Technical Subcommittee which deals with the Northwest Territories. There is a Communication Committee, Law Committee, Safety Committee, Statistics Committee, Tax and a number of other groups

The Pipeline Division is located in Ottawa and the Central Committee has a representative and an office here with Mr. MacNicol who is the manager.

To mention the qualification of the witnesses, on my immediate right is Mr. MacNicol who is the Manager of the Ottawa Office and Manager of the Pipeline Division, and he is available at any time on any questions pertaining to the Canadian Petroleum Association or the industry in general, and may be contacted by any of you gentlemen for any help that we might give. He was the manager of the Saskatchewan division of the Canadian Petroleum Association from 1960 to

• 1125

1967 and was head of the Economic and Statistical Department in Calgary from 1958 to 1960.

Mr. McDonald, to the right of Mr. MacNicol, is a petroleum engineer and a senior economist with Gulf Oil Company. He has been 17 years in the oil industry. I will not go through all his qualifications or the Commit-

[*Interprétation*]

s'intéresse surtout aux activités secondaires de l'exploration et de la production.

Les membres représentent les concessionnaires ayant un intérêt économique direct par opposition aux propriétaires des droits sur environ 95 p. 100 de la production de pétrole et de gaz du Canada. Je pourrais ajouter que la plupart des indépendants sont membres de la *Canadian Petroleum Association*.

L'association a une division en Colombie-Britannique, en Alberta, et en Saskatchewan. Ce sont des organismes distincts qui s'intéressent surtout aux problèmes dans ces provinces. Ils traitent directement avec les gouvernements provinciaux au sujet de ces problèmes. Quant aux problèmes d'intérêt commun, et les problèmes des Territoires du Nord-Ouest et du Yukon, ils sont étudiés par un comité central composé de représentants de chacune des provinces. Il est dirigé par un Conseil des gouverneurs.

Comme dans d'autres organismes du Canada, le travail se fait par un système de comités. Il y en a un certain nombre qui comprennent des représentants des sociétés membres. Toutes les phases d'activité y sont représentées. Il y a le Comité des territoires canadiens avec un sous-comité des terres et des questions techniques qui s'intéresse aux Territoires du Nord-Ouest. Il y a un Comité des communications, un comité juridique, un comité de la sécurité, un comité des statistiques, de la fiscalité en divers autres groupes.

La division des pipe-lines se trouve à Ottawa et le Comité central a un bureau ici dont M. MacNicol est le directeur.

Pour dire un mot de la capacité des témoins, à ma droite, il y a M. James MacNicol, directeur du bureau d'Ottawa et directeur de la Division des pipe-lines. Il sera toujours prêt à répondre aux questions sur la *Canadian Petroleum Association* ou de l'industrie en général, et on peut le rejoindre en tout temps aux fins de renseignements. Il a été directeur de la division de la Saskatchewan de la *Canadian Petroleum Association* de 1960 à 1967 et chef de la Division de l'économie et de la statistique à Calgary de 1958 à 1960.

M. McDonald, à la droite de M. MacNicol, est ingénieur du pétrole et économiste principal de la *Gulf Oil Company*. Il travaille dans l'industrie du pétrole depuis 17 ans. Je ne vous énumérerai pas tous ses titres ni tous les

[*Text*]

tees that he served on, but he has been Chairman of the Technical Committee in Saskatchewan. At the present time he is Vice-Chairman of the Central Reserves Committee of the Canadian Petroleum Association. He has been on a number of Committees dealing with regulations and legislation in gas matters.

Mr. Walton had 23 years experience as a land man. He is employed with Imperial Oil Ltd. at the moment and is the immediate Past Chairman of the Northwest Territories Committee and was the Chairman when this Act was reviewed. His office has just recently changed to another member. He has been in the B.C. Land Committee, so he is experienced in that area.

I, D. E. Lewis, Q.C., am the Regional Solicitor for Imperial Oil Ltd. I have been 20 years with the Company with the exception of one year that I spent in Australia, working with the government as an industry representative on their offshore code and other legislation. I have been a member of the legal committees of the various divisions and I think at one time or another I have been chairman. I am also a co-author of a three volume legal work in conjunction with Professor Andrew Thompson who appeared before this Committee some time ago. I have written articles for legal magazines and industry publications on various occasions on matters pertaining to oil and gas.

I think that will give you some indication of the background of the witnesses.

The same group appeared before the Senate Committee on Banking, Trade and Commerce on March 5. At that time we concurred in the general principles of conservation that are made in the Act. There were some drafting changes that were reviewed at the time, both in the context and in the appeal provisions, and in the main they have been accepted in the redraft as passed by the Senate.

I might say that in the very early stages of the consideration of the Bill, we had discussions with the predecessors of the Department of Indian Affairs and Northern Development and gave them an indication of the technical principles that we thought should be included in the Act and we had discussions on some of the policy that was developed by the government. Of course, the first time that the Bill was shown to us was after it had been given reading in the Senate. I can say that the Canadian Petroleum Association supports the passing of the Bill in the present form at this time.

[*Interpretation*]

Comités dont il a fait partie, mais il a été président du Comité technique de la Saskatchewan. A l'heure actuelle, il est vice-président du Comité central des réserves de la *Canadian Petroleum Asssociation.* Il a fait partie d'un bon nombre de comités ayant trait à la réglementation et à la législation sur les questions de gaz.

M. Walton a vingt-trois ans d'expérience dans le domaine des territoires. Il travaille présentement pour l'*Imperial Oil Ltd.* Il est l'ex-président du Comité du Territoire du Nord-Ouest dont il était le président lorsque la Loi a été revisée. Son poste vient de passer à un autre membre. Il a fait partie du Comité des territoires de la Colombie-Britannique. Il a donc beaucoup d'expérience en la matière.

Moi, je suis M. D. E. Lewis, c.r., solliciteur régional pour l'*Imperial Oil Ltd.* Depuis vingt ans je fais partie de cette société, sauf une année que j'ai passée en Australie au service du gouvernement en tant que représentant de l'industrie pour la préparation de leur code sur les gisements sous-marins et d'autres lois. J'étais membre du Comité juridique de différentes divisions et j'ai été président à un certain moment. Je suis aussi l'auteur, en collaboration, d'un travail juridique en trois volumes que j'ai écrit conjointement avec le professeur Andrew Thompson qui a comparu au Comité il y a quelque temps. J'ai écrit des articles pour des revues juridiques et des publications industrielles sur diverses questions relatives au pétrole et au gaz.

Voilà donc une idée de l'historique de chacun des témoins.

Le même groupe a déjà comparu devant le Comité du Sénat sur les questions bancaires et commerciales au mois de mars. A ce moment-là, nous étions d'accord sur les principes généraux de la conservation exprimés dans la Loi. Il y a eu des changements apportés au Bill tant dans le contexte qu'aux dispositions d'appel, et dans l'ensemble, ces changements ont été approuvés par le Comité du Sénat dans la dernière version du Bill.

Au début, nous avons discuté avec l'ancien ministère des Affaires indiennes et nous leur avons donné une idée des principes techniques qu'il faudrait, à notre avis, inclure dans le Bill. Nous avons également discuté des politiques mises au point par le gouvernement. Évidemment, la première fois qu'on nous a montré le Bill, c'était après qu'on en ait donné lecture au Sénat. Je puis vous dire que la *Canadian Petroleum Association* appuie le Bill, dans sa présente forme, à l'heure actuelle.

[*Texte*]

The aim of the Bill which I think is quite clear to you gentlemen is to prevent waste and has two elements in the Act; that is, physical waste and economic waste.

The prevention of physical waste is the proper utilization of underground energy; that is, the use of pressure, gas in solution, gas cap and water and the proper use of gas and water where necessary to flush the reservoir when injected in secondary recovery.

The prevention of economic waste involves among other things the minimum installations to achieve physical waste; that is, proper spacing, and I think a good example of this is the Redwater field in Alberta, which was drilled about 1949 and 1950.

• 1130

Over 1,200 wells were drilled to produce the field and, because of the spacing changes in Alberta, 800 or more of those wells have been dropped and now the field is being drained by 400 wells. You can see the considerable economic savings that would have been achieved had we known as much about reservoir energy as we do today. This of course is one of the objects of conservation.

Conservation administration depends to a great extent on the technical interpretation of the reservoirs rather than a policy. The regulations under the act will detail the drilling procedures, safety procedures, production procedures, including spacing areas, injection schemes, processing plants, maximum production rates from an engineering point of view, metering, procedures at hearings and so on.

The power to control conservation in the act and in the regulations is given to a conservation engineer and these are wide powers and very far-reaching. However, the use of public hearings and the appeal procedures written into the proposed act wil give industry a chance to question what they believe to be improper requests and to support their position with technical data and expert witnesses.

We also hope to be able to discuss any suggested regulations before they are drafted with the Department so that we can give them the benefit of the experts that we have in the Canadian Petroleum Association. This is the procedure that is carried out in all the provinces that have oil and gas and has been

[*Interprétation*]

L'objectif du Bill qui doit être très clair pour vous, messieurs, est d'empêcher le gaspillage, et est divisé en deux éléments dans la loi: le gaspillage physique et le gaspillage économique.

On empêche le gaspillage physique par l'utilisation efficace de l'énergie du sous-sol; c'est-à-dire l'utilisation de la pression, du gaz dissout, du gaz et de l'eau, et l'utilisation efficace du gaz et de l'eau lorsqu'il est nécessaire de forcer de l'eau dans le réservoir après avoir procédé à une injection de seconde récupération.

La prévention du gaspillage économique comprend notamment des installations minimum pour empêcher le gaspillage physique; c'est-à-dire, l'espacement approprié, dont un bon exemple est le champ Redwater en Alberta où l'on a percé les puits en 1949 et 1950.

Plus de 1,200 puits ont été creusés pour aménager le champ, et à cause des changements relatifs à l'espacement en Alberta, environ 800 de ces puits ont dû être abandonnés et le champ est maintenant exploité par 400 puits. Vous voyez quelles économies on aurait pu faire si on en avait su aussi long sur ce sujet que de nos jours. Voilà un des objectifs de la conservation.

L'administration de la conservation dépend beaucoup de l'interprétation technique des réservoirs, plutôt que d'une politique. Les règlements établis en vertu de la loi détermineront les méthodes de forage, les mesures de sécurité, les méthodes de production, y compris les zones d'espacement, les plans d'injection, le usines de traitement, les taux maximum de production du point de vue du génie, les mesures, la procédure à suivre pour les audiences, etc.

Le pouvoir de contrôler la conservation donné par le projet de loi et par les règlements est accordé à un ingénieur en conservation, et ce sont des pouvoirs très vastes et importants. Toutefois, le recours à des audiences publiques et la procédure d'appel prévus dans le projet de loi donneront à l'industrie l'occasion de contester ce qu'elle estimera être des demandes injustifiées, et de faire usage de données techniques et de témoins experts à l'appui de sa position.

Nous espérons aussi pouvoir discuter de tout règlement proposé avant qu'il ne soit rédigé par le Ministère, afin que ce dernier puisse profiter des connnaissances des spécialistes que nous avons au sein de la *Canadian Petroleum Association*. C'est la procédure suivie dans toutes les provinces où il y a du

[*Text*]

used in the Northwest Territories to date. There is tremendous co-operation between the industry and governments in all areas of petroleum and natural gas.

We have given thought to the bill, there are no amendments that we recommend at this time, we would like to see the bill in its administration and I am certain that if there are problems they will be presented by the Canadian Petroleum Association and met at the time.

Thank you, Mr. Chairman.

The Chairman: Thank you very much, Mr. Lewis. Mr. MacNicol, do you have any comments?

Mr. James MacNicol (Ottawa Manager, and Pipeline Division Manager, Canadian Petroleum Association): I do not think any of us have any more comments at this time, Mr. Chairman.

The Chairman: We have a question from Mr. Gundlock.

Mr. Gundlock: Mr. Chairman, my question may not be related to the bill itself. Actually I have no qualms about the bill itself. In respect of this administration and control that we talk about somehow or other, if at all possible, Mr. Chairman, I would like to see a permanent airstrip at Old Crow. I think that would be very important to the very administration that we are talking about in this bill, transportation being as important as it is.

The Chairman: You have it on the record, Mr. Gundlock.

Mr. Gundlock: Thank you, sir.

Mr. Cullen: Mr. Lewis, prior to this legislation being presented I assume your Association of all associations would have advance information or know it was coming. Did you in fact prepare a brief for submission to the Committee prior to the actual drafting of the bill?

Mr. Lewis: No. We had discussions in Ottawa with Mr. Côté, the Deputy Minister at

• 1135

that time, a rough draft had been made of the points that should appear in the bill and we went over them one by one to give the views

[*Interpretation*]

pétrole et du gaz, et c'est aussi celle que l'on a suivie, jusqu'à présent, dans les Territoires du Nord-Ouest. Il y a énormément de collaboration entre l'industrie et les gouvernements dans tous les secteurs où l'on trouve des gisements de pétrole et de gaz naturel.

Nous avons réfléchi au projet de loi, et il n'y a pas d'amendement que nous voulions recommander pour le moment. Nous aimerions voir ce que donnera l'administration du projet de loi, et je suis certain que s'il y a des problèmes qui se présentent, ils seront exposés et réglés au moment voulu par la *Canadian Petroleum Association.*

Merci, monsieur le président.

Le président: Merci beaucoup, monsieur Lewis. Monsieur MacNicol, avez-vous des observations à faire?

M. James MacNicol (Directeur du bureau d'Ottawa et directeur de la Division des pipelines de la Canadian Petroleum Association): Je ne pense pas, monsieur le président, qu'aucun d'entre nous ait d'autres observations à faire pour le moment.

Le président: M. Gundlock a une question à poser.

M. Gundlock: Monsieur le président, ma question ne se rattache peut-être pas au projet de loi lui-même. A vrai dire, je ne m'inquiète pas beaucoup pour le projet de loi. Relativement à l'administration et au contrôle dont on a parlé, j'aimerais, d'une façon ou d'une autre, monsieur le président, et si la chose est possible, qu'il y ait une piste d'atterrissage permanente à Old Crow. Je pense que cela est très important pour l'administration même dont on parle dans ce projet de loi, étant donné l'importance des transports.

Le président: C'est au compte rendu, monsieur Gundlock.

M. Gundlock: Merci, monsieur.

M. Cullen: Monsieur Lewis, je suppose qu'avant que ce projet de loi ne soit présenté, votre Association, plus que tout autre, devait en avoir connaissance ou savoir ce qui se préparait. Avez-vous, en fait, préparé un mémoire pour le soumettre au Comité avant la rédaction même du projet de loi?

M. Lewis: Non. Nous avons eu des entretiens à Ottawa avec M. Coté, le sous-ministre de l'époque, on a rédigé un projet de texte des questions à mentionner dans le projet de loi, et nous les avons étudiées l'une après l'autre pour donner l'avis de l'Association à ce moment-là. Plus tard, le projet de loi

[*Texte*]

of the organization at that time. Subsequent to that the bill would be reviewed by the Department and then sent to the Department of Justice.

We had not seen any papers on it for two or three years until we saw the bill in the first printed form in draft.

Mr. Cullen: The reason I ask, Mr. Lewis, is that there are a couple of sections which at first blush seem to me to be weighted heavily in favour of the industry and as I go into them I may eventually be recommending amendments to these. Before I get into that area, the last occasion that this Committee met we discussed underground storage and you have mentioned that one of the purposes of this act is to make proper use of what you would call, I think, cushion gas in the trade.

There is no provision in this bill at all to cover the area of underground storage after you have produced what you can produce. How can we adequately protect that cushion gas? Do you not think that there should be something in this bill to cover that area so that a well is not depleted and gas has to then be pumped back in in order to use an area for storage?

Mr. Lewis: The storage reservoirs are usually quite late in the history of the depletion of an oil and gas field. Really the usefulness of them is generally near large centres such as Toronto, Ottawa or someplace where you can adequately store the gas for consumer use. We cannot see that there would be any need in the immediate future for gas storage in the far north.

I think very wide powers are given under Clause 12 and I think that if the need did arise the Governor in Council could probably pass regulations under the sort of catch-all clauses at the very end—that is (i) and (j) on page 7 which say:

> (i) authorizing the Minister, or such other person as the Governor in Council deems suitable, to exercise such powers and perform such duties as may be necessary for the management and control of oil or gas production, and authorizing the making of such orders as may be specified:

And then under (j) he has the powers to pass regulations that are necessary for the removal of gas and oil from the Territories. I think

[*Interprétation*]

devait être rédigé par le Ministère, puis envoyé au ministère de la Justice.

Nous n'avions pas vu de documents à ce sujet pendant deux ou trois ans jusqu'à ce que la première édition du projet de bill soit imprimée.

M. Cullen: Si je pose cette question, monsieur Lewis, c'est qu'il y a deux sections qui, de prime abord, me semblent favoriser beaucoup l'industrie, et, quand je les aurai étudiées, il se pourrait que j'y propose des amendements. D'abord, je voudrais rappeler qu'à la dernière séance du Comité, nous avons parlé de l'entreposage souterrain, et que vous nous avez dit que l'un des objets du projet de loi était de permettre d'utiliser au mieux ce que vous appelleriez, je crois, dans votre jargon, un matelas de gaz.

On ne prévoit absolument rien dans ce projet de loi pour l'entreposage souterrain une fois que vous avez produit ce que vous pouvez produire. Comment pouvons-nous protéger ce coussin de gaz comme il faut? Ne pensez-vous pas qu'il devrait y avoir quelque chose à ce sujet dans le projet de loi, afin d'éviter qu'un puits ne soit épuisé et qu'il faille alors pomper de nouveau du gaz à l'intérieur pour se servir d'une poche comme réservoir?

M. Lewis: Les réservoirs d'entreposage ne viennent généralement qu'assez tard dans l'épuisement d'un gisement de pétrole et de gaz. Les réservoirs ne sont, en général, vraiment utiles qu'à proximité des grands centres, comme Toronto ou Ottawa, où l'on peut entreposer le gaz comme il faut aux fins de la consommation. Nous n'envisageons pas que l'entreposage de gaz soit nécessaire, dans un avenir immédiat dans le grand Nord.

J'estime que l'article 12 accorde des pouvoirs très étendus et qu'au besoin, le gouverneur en conseil pourrait sand doute adopter des règlements aux termes des dispositions générales qui se trouvent à la fin soit les alinéas i) et j) à la page 7, où l'on dit:

> (i) autorisant le Ministre, ou telle autre personne que le gouverneur en conseil estime idoine, à exercer les pouvoirs et les fonctions qui peuvent être nécessaires pour diriger et contrôler la production du pétrole et du gaz, et autorisant l'établissement des ordonnances qui peuvent être spécifiées

Puis, à l'alinéa j) on dit qu'il a pouvoir d'adopter les règlements nécessaires pour acheminer le gaz et le pétrole hors des terri-

[*Text*]

that the powers inherent in Clause 12 are there should the need arise.

Mr. Cullen: The situation in Canada right now is that we do not have adequate storage. We hear in Ontario over and over again from such companies as Imperial Oil and Union Gas that there is a limited amount of storage available.

One of the things that has come out of all of these hearings is the fact that very early in the game you can determine whether a well will in fact eventually be good for storage. Whether it is used 25, 50 or 100 years from now, you know very early in the game whether or not it is a good storage well. What is of some concern to me is that we might lose that kind of an industry—one that is not suicidal but goes on and on and produces a very marketable commodity.

Mr. Lewis: Mr. McDonald, have you anything to add from a technical point of view?

Mr. J. B. McDonald (Vice-Chairman of the Central Reserves Committee and Chairman of the Alberta Regulation Review Committee of the Canadian Petroleum Association): I think I can elaborate a little bit on this, sir.

At the present time the purpose of storage is to provide for peak day requirements which cannot be handled by long distance gas transmission systems. To do this you must have the storage at or near the market place and in the main it is in the Ontario area.

There are only a certain number of reservoirs that have been discovered and are available where you can place this gas. As far as the north country is concerned, to have the storage there is fine but it would still have to go through the pipeline to get to the market.

• 1140

If you have an extremely cold period of weather in Ontario, or wherever your market place is, you still have to bring the gas by transmission line over that extended distance to satisfy the market, and I think on the whole that storage is not required until there is a market closer to the source of production.

Mr. Cullen: I know you are thinking of southwestern Ontario and the situation there, but frankly this Committee is Indian Affairs and Northern Development. I hope we have visionaries who can see a time when this will be necessary and if ever there is an area

[*Interpretation*]

toires... J'estime que les pouvoirs conférés par l'article 12 sont là, au cas où l'on en aurait besoin.

M. Cullen: Ce qui se passe au Canada à l'heure actuelle, c'est que nous n'avons pas d'intallations d'entreposage suffisantes. En Ontario, les sociétés comme l'*Imperial Oil* et l'*Union Gas* répètent sans cesse que l'on dispose d'assez peu d'installations d'entreposage. Ce qui ressort entre autre, de toutes ces audiences, c'est que l'on peut déterminer très tôt si oui ou non un puits se prêtera finalement à l'entreposage. Que l'on utilise ce puits 25, 50 ou 100 ans plus tard, on sait presque dès le début si c'est un bon puits pour l'entreposage. Ce qui me préoccupe un peu, c'est que nous pourrions perdre ce genre d'industrie une industrie qui ne court pas au suicide, mais qui se maintient indéfiniment et produit une denrée très vendable.

M. Lewis: Monsieur McDonald, auriez-vous quelque chose à ajouter sous l'angle technique?

M. J. B. McDonald (Vice-président du Comité central des réserves et président du Comité de revision des règlements de la Canadian Petroleum Association de l'Alberta): Je crois que je peux donner quelques détails à ce sujet, monsieur.

A l'heure actuelle, l'entreposage a pour objet de satisfaire aux besoins les jours de pointe, lorsqu'il est impossible d'acheminer le gaz par les réseaux de transmission de longues distances. Pour ce faire, il faut que l'entreposage se fasse à proximité du marché, soit surtout dans l'Ontario.

On n'a découvert qu'un certain nombre de réservoirs qui soient disponibles pour l'entreposage de ce gaz. Pour ce qui est du Nord, on peut y entreposer du gaz, mais il faut malgré tout acheminer ce gaz par pipe-line pour atteindre le marché.

S'il y a une période de froid intense en Ontario, ou là où se trouve le marché, il faut tout de même acheminer le gaz par ligne de transmission sur une grande distance pour satisfaire aux besoins du marché, et j'estime que, dans l'ensemble, l'entreposage n'est pas nécessaire tant qu'il n'y a pas de marchés plus proches de la source de production.

M. Cullen: Je sais que vous pensez au sud-ouest de l'Ontario et à la situation qui y prévaut mais notre Comité s'occupe des affaires indiennes et du développement du Nord canadien. J'espère que nous avons des visionnaires qui anticipent le jour où cela sera nécessaire

[*Texte*]

where there will be peak periods, it will be in the Northwest Territories. This is a matter with which, I think, we should concern ourselves.

Mr. Chairman, I have a couple of other questions I would like to ask, but as I know other members have questions they want to ask, I will limit myself to Clause 5(1) of the Bill:

> The Governor in Council shall appoint as members of the Committee only such persons as appear to the Governor in Council to have specialized, expert or technical knowledge of oil and gas.

Here again, Mr. Lewis, I cannot agree with your original statement that this is all expertise. It is my feeling that we are dealing in an area of expertise, but also we are dealing in an area of public policy and in dealing with the Board with which I am familiar, namely the Ontario Energy Board, it does have the expertise which is necessary, but does it not seem to you because of the area of public policy that all of the members should not be from this expert field?

Mr. Lewis: We have considered this clause in the light of some of the observations made at your last Committee meeting and we agree that there is no need to have every person an expert or specialist in oil or gas, but we do feel there should be possibly two people on that Board who have the background so they can help the rest of the Board or, at a hearing, will have some indication or appreciation of what is being presented. Our suggestion would be that an amendment be made to the effect that at least two of the members should be those who appear to the Governor in Council to have a specialized expert or technical knowledge.

Mr. Cullen: I have read you the clause as it appears. I will read you what I have in mind and on which I would like your opinion.

I move that Clause 5 (1) be deleted and the following substituted therefor:

> 5 (1) The Governor in Council when appointing members of the Committee shall name at least two such persons as appear to the Governor in Council to have specialized, expert or technical knowledge of oil and gas.

That would meet the requirements or, at least, be satisfactory.

Mr. Lewis: That would meet our requirements. I had another wording, but it amounts to the same thing.

[*Interprétation*]

et s'il y avait une région où il y aura des périodes de pointe, ce sera dans les Territoires du Nord-Ouest. C'est une question que nous devons examiner. Monsieur le président, il y a un certain nombre de questions que j'aimerais poser mais je sais que d'autres en ont aussi. Je me limiterai au paragraphe (1) de l'article 5 du projet de loi:

> Le Gouverneur en Conseil ne nomme au Comité que les personnes qui lui paraissent avoir des connaissances de spécialiste, d'expert ou de technicien en matière de pétrole et de gaz.

Maintenant, Monsieur Lewis, je ne peux pas être d'accord avec vous encore quand vous dites qu'il s'agit seulement d'expertise. Il semble que nous traitons aussi de politique publique. Je connais un conseil, le Conseil de l'énergie de l'Ontario ou la Commission de l'énergie de l'Ontario où il y a des experts. Je trouve que c'est nécessaire. Mais est-ce qu'il ne vous semble pas qu'en raison du domaine de politique publique, les membres ne devraient pas tous être des experts en la matière?

M. Lewis: Nous avons étudié cet article à la lumière de certaines observations présentées à la dernière réunion du Comité et nous avons convenu qu'il n'était pas nécessaire d'avoir des membres qui soient tous des spécialistes ou des experts en matière de pétrole ou de gaz. Toutefois, à notre avis, il devrait y avoir au moins deux personnes au Comité avec des connaissances en la matière pour pouvoir éclairer les autres membres ou au cours d'une audience, pour indiquer ou donner son avis sur ce qui a été exposé. Nous proposons qu'on apporte une modification à cet article pour qu'au moins deux des membres devraient sembler au Gouverneur en Conseil comme ayant des connaissances de technicien et de spécialiste.

M. Cullen: Je vous ai lu l'article tel qu'il est et je vous dirai ce à quoi je pense et sur quoi j'aimerais avoir votre idée. Je propose que le paragraphe (1) de l'article 5 soit supprimé et remplacé par le texte qui précède:

> Le Gouverneur en Conseil, lorsqu'il nommera les membres du Comité, désignera au moins deux personnes qui lui paraissent avoir des connaissances de spécialiste, d'expert ou de technicien en matière de pétrole et de gaz.

Cela répondrait aux exigences ou au moins, serait satisfaisant.

M. Lewis: En effet, cela répondrait aux exigences. J'ai une autre terminologie, mais cela revient à la même chose.

[*Text*]

Mr. Cullen: I would be happy to accept any wording that would improve on this clause. I just drafted this now on the basis of what I and Mr. O'Connell, who unfortunately could not be here today, had in mind. I have other questions, Mr. Chairman, but I do not want to take up the time. I think maybe I should pass, but I would like to come back on the second round.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I would like to discuss the lack of prorationing conditions in the Bill and get comments from the gentlemen on this. Let me illustrate this for you. For example, if there is no prorationing condition between pools and one pool is farther from the market than another, particularly in the Arctic where transportation of oil is quite difficult, do you not think this would be awkward for the fellow who happened to be involved in the far away pool?

Mr. Lewis: The Petroleum Association has considered the question of proration within the Northwest Territories and we feel at this time there are so many unknowns that we would not recommend it nor recommend its inclusion specifically in the Bill. You have to have more indication of the size of the pool and more knowledge of the market, I think, before you can prorate. The Alberta situation is a good precedent wherein Alberta has prorationing at the present time, but the conservation bill was in operation for some years before this was included and we think the same situation exists in the North, that it is too early really to know just how it will affect the cost of oil or the position of oil. The

• 1145

Bill itself defines waste in such a way that there are possible proration controls because you cannot produce and allow for waste. Then, again, Clause 12 (i) and (j) is very wide and we feel if a situation arose where this were necessary that these provisions probably would allow for some kind of a modified prorationing until the situation could be studied a little further and recommendations could be made by both the departments within the government and the oil industry itself. In short, we think there are controls and we do not think the knowledge is adequate to recommend it at this point.

[*Interpretation*]

M. Cullen: Je serais heureux que l'on propose un texte qui améliorerait cet article. Je l'ai rédigé simplement pour exprimer ma pensée ainsi que celle de monsieur O'Connell, qui ne pouvait malheureusement pas venir aujourd'hui. Monsieur le président, j'aurais d'autres questions à poser mais je devrais peut-être laisser la parole à d'autres, et revenir au deuxième tour.

M. Thomson (Battleford-Kindersley): Monsieur le président, j'aimerais discuter du manque de condition de contingentement par prorata dans le projet de loi, et recevoir les commentaires des intéressés. Laissez-moi vous expliquer ce que je veux dire. Ainsi, s'il n'existe pas de conditions relatives au contingentement par prorata entre les gisements, et qu'un gisement se trouve plus éloigné du marché qu'un autre, tout particulièrement dans l'Arctique où le transport du pétrole est assez difficile, ne pensez-vous pas que cela serait fâcheux pour la personne qui aurait un gisement très éloigné?

M. Lewis: La *Petroleum Association* a étudié la question du contingentement par prorata dans les Territoires du Nord-Ouest et nous estimons, à l'heure actuelle, qu'il y a trop d'inconnu pour recommander cette mesure et que nous ne proposerions pas qu'on l'insère dans le projet de loi. Vous devez posséder plus de renseignements sur la dimension du gisement et avoir plus de connaissances du marché, je crois, avant de pouvoir contingenter. La situation en Alberta crée un bon précédent car l'Alberta connaît le contingentement par prorata aujourd'hui. Le projet de loi sur la conservation était en application depuis quelques années avant que cette question y soit insérée, et nous croyons que la même situation existe dans le Nord. Il est encore trop tôt pour savoir vraiment comment cela influencera le prix du pétrole ou la place du pétrole. Le projet de loi lui-même définit le gaspillage d'une telle manière qu'il y a des mesures de contrôle possibles du contingentement par prorata parce que vous ne pouvez pas gaspiller ou permettre le gaspillage. Les paragraphes (i) et (j) de l'article 12 sont très vagues et nous sommes d'avis que si la situation rendait la chose nécessaire, ces dispositions permettraient sûrement une certaine forme de contingentement par prorata modifié, jusqu'à ce que la situation puisse être étudiée plus en détail et que les recommandations puissent être faites à la fois par les ministères du gouvernement et par l'industrie pétrolière elle-même. En résumé, nous croyons qu'il y a des mesures de contrôle et nous ne croyons pas que l'on connaisse suffisamment la question pour faire dès aujourd'hui une telle recommandation.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, just to follow this a little bit further, what about the possibility of a large pool, something similar to Prudhoe Bay and the Mackenzie Delta, for example, who is going to sell this oil and where? Could you see this oil being sold in the Vancouver market taking away the market from Alberta, shall we say?

Mr. Lewis: I am afraid I am not in a position to answer that kind of a question. It is pretty difficult to know exactly what will happen in the market. You have the various transportation routes. I know that the Canadian Petroleum Association intends to meet with the Cabinet next month at which time they will present an industry report and I am certain that this might be the subject of that. I am not in a position nor have I been instructed to make comments on that point at this particular time.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have no wish to embarrass the witnesses. This is a production-conservation Bill and I do not think we can divorce the intent of this Bill from the market situation in oil, as I understand it. I would like to talk about one or two things in connection with this Bill, for example, transportation within the Arctic and to where. What do you visualize as the transportation system from northern Canada and to where in connection with oil developed there?

Mr. Lewis: Again, I am afraid I cannot answer that because there are studies being made on some pipe lines, there are studies being made on tankers and this summer there will be quite a lot of work done on the Alix Bow. At this point in time I do not think I could indicate where the markets would be.

Mr. Thomson (Battleford-Kindersley): I asked the Deputy Minister the same question at the last meeting he attended and he was as cautions in this regard as you are. I will say that. However, I have another question. Do you see any possibility of public capital in the sense of a Panarctic as compared to private capital in developing the Arctic oil?

Mr. Lewis: The Canadian Petroleum Association feels that private money will develop areas that are attractive from a geological point of view and attractive from a marketing point of view. I do not think there is any doubt today that the discovery of Prudhoe Bay has the interest of the oil busi-

[*Interprétation*]

M. Thomson (Battleford-Kindersley): J'aimerais simplement poursuivre dans la même ligne d'idée. Que pensez-vous de la possibilité d'un grand gisement, comparable à celui du Prudhoe Bay et du delta du Mackenzie par exemple? Qui va vendre ce pétrole et où? Serait-il possible qu'il soit vendu sur le marché de Vancouver supprimant par le fait même celui de l'Alberta?

M. Lewis: Malheureusement, je ne suis pas en mesure de répondre à une question comme celle-là. Il est assez difficile de savoir exactement ce qui va arriver sur le marché. Vous avez différentes voies d'acheminement et je sais que la *Canadian Petroleum Association* a l'intention de rencontrer les membres du Conseil des Ministres le mois prochain et y présentera un rapport. Je suis certain que cela en fasse l'objet. Mais, je ne suis pas en mesure et, je n'ai pas reçu de directives pour faire des commentaires sur ce point, pour l'instant.

M. Thomson (Battleford-Kindersley): Monsieur le président, je n'ai pas du tout l'intention d'embarrasser les témoins. Il s'agit d'un projet de loi de la conservation et de la production et je ne pense pas que nous pouvons dissocier le contenu de ce projet de loi de la situation du marché pétrolier, comme je le comprends. Je voudrais soulever un ou deux points relatifs à ce projet de loi. Premièrement, le transport dans l'Arctique et ailleurs. Je voudrais savoir ce que vous envisagez comme système de transport du pétrole à partir du Nord canadien et à quelle destination?

M. Lewis: Encore une fois, je ne pourrais pas répondre parce que l'on fait des études sur quelques pipe-lines et sur les bateaux-réservoirs. Cet été, on fera beaucoup de travail sur le Alix Bow. Pour l'instant, je pense que je ne peux pas vous dire exactement où se trouveront les marchés.

M. Thomson (Battleford-Kindersley): A la dernière réunion, j'ai posé la même question au sous-ministre et il a été aussi prudent que vous sur ce point. De toute façon, j'ai une autre question. Pensez-vous qu'il serait possible d'avoir des capitaux publics, comme par exemple, un *Panarctic* par opposition à des capitaux privés pour développer l'industrie pétrolière dans l'Arctique?

M. Lewis: La *Canadian Petroleum Association* a le sentiment que les intérêts privés ont développé des régions qui sont attrayantes du point de vue géologique et aussi pour la commercialisation. Nul doute, aujourd'hui, que la découverte de *Pruhoe Bay* a suscité des intérêts dans l'industrie pétrolière, à l'échelle

[*Text*]

ness internationally and it can be developed and will be developed by private capital if left to do so. We recognize that at the time that Panarctic was put into operation we had a new area and a new place that the Government of Canada wanted developed and wanted exploration made and the event of public money seemed a satisfactory and probably an attractive way to have that developed, but the situation has changed and we certainly would not recommend government participation in the oil areas from now on in.

Mr. Thomson (Battleford-Kindersley): I am like Mr. Cullen, Mr. Chairman, in that I

• 1150

would like to ask one further question. What would you see as the effect of royalty rates under the present Bill or regulations in the Arctic compared to, shall we say, Alberta? How would they compare on a percentage basis, if you like?

Mr. Lewis: The Arctic is slightly less and this is an area where I disagree with my cohort, Professor Andrew Thompson. I think that the rate of royalty in the Northwest Territories is satisfactory and should be maintained. To me the federal government has a completely different point of view than a provincial government.

The federal government's intention in my view should be to develop industry or have industry developed, and there is no question but that a healthy oil and gas industry will bring along with it ancillary industries, pipelines, pipe mills, servicing companies, and this sort of thing.

In this area that we are talking about, the costs of drilling and exploration are about 10 times what they would be in Saskatchewan or Alberta, and therefore once oil or gas is discovered there is a huge pre-investment necessary before that product can be brought to any salable market. These companies are putting tremendous sums into the area, and of course there is an interest rate from their point of view which has to be recovered Then if they or any of these ancillary industries are successful from an income tax point of view, the federal government gets a proportion of their success. At the moment that is about 52 per cent.

So when you look at Canada in relation to other countries, from the point of view of the government's take, and I am talking of total take, it proves itself to be equal to or higher than most countries. I did a study when I was

[*Interpretation*]

mondiale et qu'elle pourrait et serait mise au point par les intérêts financiers privés, s'ils en ont la chance. Nous reconnaissons qu'au moment où *Pan Arctic* a été mis en opération, nous avions une nouvelle région et un nouvel endroit que le gouvernement canadien voulait développer et explorer, et il semblait que l'arrivée des capitaux privés était satisfaisante et qu'elle constituait un bon moyen de mettre ce gisement en opération, mais la situation a changé et nous ne recommanderions certainement pas la participation du gouvernement dans ce secteur.

M. Thomson (Battleford-Kindersley): Je suis comme monsieur Cullen. J'aimerais poser une autre question. Que voyez-vous comme taux de redevance aux termes du projet de loi ou des règlements dans l'Arctique, par exemple, par rapport à l'Alberta.

Comment ont-ils pu comparer sur le pourcentage, si vous voulez?

M. Lewis: Pour l'Arctique, c'est légèrement inférieur et c'est un secteur où je ne suis pas d'accord avec mon collègue, le professeur Andrew Thompson. Je crois que le taux des redevances dans les Territoires du Nord-Ouest est satisfaisant et qu'il devrait être maintenu.

A mon avis, le gouvernement fédéral a une attitude bien différente de celui d'un gouvernement provincial. Le gouvernement fédéral a comme objectif de développer ou de mettre au point l'industrie. Sans doute, une industrie florissante du pétrole et du gaz entraînera à sa suite toutes sortes d'industries ancillaires, des pipe-lines, des usines de tuyaux, des sociétés de service, etc. Dans le secteur dont il est question, le coût du forage et de la prospection serait dix fois plus élevé que dans la Saskatchewan et dans l'Alberta. Donc une fois que l'on découvre le pétrole ou le gaz, il faut avoir des investissements très considérables avant d'amener le produit sur les marchés. Les sociétés font justement des investissements considérables dans ce domaine et à leur avis, il y a un taux d'intérêt à recouvrer. Si elle-même ou des industries ancillaires sont acceptables du point de vue fiscal, le gouvernement fédéral reçoit une bonne partie de leur excédent, ce qui représente à l'heure actuelle 52 p. 100.

Quand vous examinez le Canada par rapport aux autres pays, du point de vue où se place le gouvernement pour la perception, il se montre égal ou supérieur à la plupart des pays. Quand j'étais en Australie pour le gou-

[*Texte*]

in Australia for the Australian government, which is published, and we took basic figures from a number of Western countries and looked at them to see what the government take was, and Canada stool I believe as the highest of any of them.

Mr. Thompson (Battleford-Kinderley): I have more questions, Mr. Chairman, but I will pass. But I would like to get back if we have time.

The Chairman: Mr. Thomson, no one else has indicated that he wishes to question. You may continue.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, does not the lack of pro-rating in the Arctic put an independent economically in an awkward position to enter into this field in a competitive sense?

Mr. Lewis: That is a very difficult question to answer because the areas in the Northwest Territories that are granted under permit and under lease, along with the right to take Crown reserved areas by an increased royalty, can put the people in the North in a position where they will have some fair-sized fields. When I use the word "they", that can be a consortium of a number of companies and frequently is because of the high cost of drilling. They can tie themselves to one market and with this early unitization there is no fear that somebody can be drained in the particular pool. So again I say that we have to wait and find out what markets are open, and find out the amount of oil that has been discovered before we know whether proration is necessary. At present the Canadian Petroleum Association thinks it is not.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I did not make myself clear. Assuming that an independent were to go into the Northwest Territories and there is no pro-rating in the sense of a share of the market. They are a long way from the market; they have no processing facilities of their own; they have to depend on the facilities of some other company. Does that not put them in an awkward position market-wise. What is the point of having oil if you cannot process it or sell it?

• 1155

Mr. Lewis: The practice in the oil industry is that the oil companies purchasing oil are common purchasers. They purchase from anybody in a given area and I think the same thing is true here that with unitization of a

[*Interprétation*]

vernement australien, j'ai fait une étude qui a été publiée, et dans laquelle nous avons pris les données de base de différents pays occidentaux et nous les avons étudiées pour savoir ce que le gouvernement percevait. Le Canada figurait au plus haut rang.

M. Thomson (Battleford-Kindersley): J'aurais d'autres questions à poser, mais je vais laisser faire pour le moment. J'aimerais y revenir si vous avez du temps.

Le président: Monsieur Thomson, personne n'a indiqué qu'il désirait poser des questions. Vous pouvez poursuivre.

M. Thomson (Battleford-Kindersley): Monsieur le président, est-ce que le manque de mesure par prorata dans l'Arctique ne place pas une société indépendante dans une position assez embarrassante sur le plan financier, s'il désire entrer en concurrence?

M. Lewis: C'est une question à laquelle il m'est très difficile de répondre parce que les régions des Territoires du Nord-Ouest qui sont subventionnées en vertu d'un permis ou d'un bail ainsi que du droit de prendre des régions réservées de la Couronne par une augmentation des redevances, peuvent mettre les gens dans une situation où elles vont avoir des champs assez vastes. Quand je dis «elles», je songe à un groupe de sociétés et souvent, cela provient du coût très élevé du forage. Ils peuvent s'unir à un marché et avec cette union précoce, on ne peut craindre que quelqu'un puisse être amené dans ce gisement. Je redis qu'il faut découvrir quels débouchés sont disponibles, trouver les quantités de pétrole qui ont été découvertes avant de pouvoir appliquer ces contingentements. A l'heure actuelle, la *Canadian Petroleum Association* considère que ça ne l'est pas.

M. Thomson (Battleford-Kindersley): Je ne me suis pas très bien fait comprendre. Mettons qu'une société indépendante se rende dans les Territoires du Nord-Ouest, et qu'il n'y ait pas de contingentement dans le marché. Ils sont loin des débouchés, ils n'ont pas d'installations de transformation et il sont entre les mains de quelques autres compagnies. Est-ce que cela ne les place pas dans une situation embarrassante sur le marché? Pourquoi avoir du pétrole si vous ne pouvez le transformer ou le vendre.

M. Lewis: Dans l'industrie du pétrole, les compagnies pétrolières qui achètent du pétrole sont des acheteurs ordinaires. Ils l'achètent de n'importe qui dans une région donnée. Je crois que c'est la même chose ici

[*Text*]

successful pool and if a pipeline was extended to that pool, everybody's oil would be purchased through these purchasing companies. Under unitization, of course, they would have their proportionate share of production from any well.

Mr. Thomson (Battleford-Kindersley): You are suggesting now that through the unitization system, there is a form of pro-ration?

Mr. Lewis: Very similar to it. It means that under unitization the product of any given well is distributed on a ratio basis to the owners of that particular pool. It does not have to come from the part that is owned by one of the members; it is joined together and it becomes the same as one lease. And if 100,000 barrels came out of that well, it might be 40,000 to one owner and 60,000 to the other, and the purchaser would take from the pipeline at that point and pay in this proportion.

Mr. Thomson (Battleford-Kindersley): This is assuming that this particular company has a purchaser or a sale of their oil. Am I correct?

Mr. Lewis: If they found enough oil and the price was attractive, I am certain they would have purchasers. The purchasing position of the Canadian oil industry at this time is very competitive.

Mr. Thomson (Battleford-Kindersley): Is it not true, though, that with the oil wells we have, for example in Alberta, it is only about 42 per cent of actual production capacity that is in use?

Mr. MacDonald: Yes, it is in that range. Actually it is 42 per cent of what you could call the maximum efficient rate of production; on a developed capacity basis it is about 55 per cent at the present time.

Mr. Thomson (Battleford-Kindersley): The point of several of the questions I have been asking is that already with the present capacity in Canada we have an effective 42 per cent that we are using. Now if there is a Prudhoe Bay type of discovery, and hopefully there will be, what is going to happen to those who are selling oil? I am a wheat farmer and I have a surplus situation, so I am in a position to talk in this respect.

Mr. MacDonald: It is 42 per cent in Alberta; in Saskatchewan it is 100 per cent; in Manitoba it is 100 per cent; also in B.C. it is 100 per cent. It is only the one province that is being pro-rated at less than its capability.

[*Interpretation*]

avec l'union d'un gisement rentable et si un pipe-line était prolongé jusqu'au gisement, le pétrole de n'importe qui serait acheté par ces sociétés. En vertu de l'union, ils auraient naturellement leur part de la production de chaque puits.

M. Thomson (Battleford-Kindersley): Alors vous prétendez qu'avec le système d'union, il y a une forme justement de contingentement du pétrole?

M. Lewis: C'est très semblable à cela. Il semble qu'aux termes de ce système, le produit d'un gisement quelconque est distribué de façon proportionnelle aux propriétaires du gisement. Il n'est pas nécessaire que cela provienne de la part qui appartient à ce gisement, c'est mis en commun et cela revient à un bail. Si 100,000 barils de pétrole, sont extraits du puits, 40,000 peuvent appartenir à l'un et 60,000 à l'autre, et l'acheteur s'alimente au pipeline et paie selon la proportion.

M. Thomson (Battleford-Kindersley): Vous présumez que la société a un acheteur ou a fait la vente de leur pétrole, n'est-ce pas?

M. Lewis: S'ils trouvent assez de pétrole et si le prix est alléchant, je suis sûr qu'ils trouveront acheteur. Je crois que le pouvoir d'achat de l'industrie pétrolière du Canada est actuellement très concurrentiel.

M. Thomson (Battleford-Kindersley): N'est-il pas vrai qu'avec les puits de pétrole, par exemple en Alberta, seulement 42 p. 100 de la capacité actuelle de production est utilisé?

M. MacDonald: Je crois, en effet que c'est à peu près cette proportion. Je crois que ce que vous pourriez appeler le taux effectif maximal de production correspond à 42 p. 100. Sur la base de capacité augmentée, c'est, à l'heure actuelle, 55 p. 100.

M. Thomson (Battleford-Kindersley): Déjà, avec la capacité actuelle de production au Canada, nous jouissons de 42 p. 100. Si on fait des découvertes comme à Prudhoe Bay, et j'espère que tel sera le cas, que va-t-il arriver à ceux qui vendent du pétrole? Je cultive du blé et j'ai un excédent de blé. Je suis donc bien placé pour en parler.

M. MacDonald: En Alberta, c'est 42 p. 100, en Saskatchewan, 100 p. 100, en Colombie-Britannique et au Manitoba, 100 p. 100. Ce n'est que dans une province que le contingentement est inférieur à sa capacité.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): Assuming we strike something reasonable, and it looks like we will, the picture could change considerably. Instead of 42 per cent of the total, it might go down to 30 or something like that, if, for example, Arctic oil is sold in the Vancouver market, and if Prudhoe Bay oil is sold in the United States. I am quite concerned here really with the market situation and the lack of pro-rating in the total industry. Perhaps the industry is not concerned. Perhaps I should not be worrying. But speaking again as a wheat farmer who needs an eight-bushel quota to meet his costs, and who is going to get only half, or a little better, of this, there is trouble. I think the oil industry will be in a similar position.

Mr. Chairman, I have one further question. Do you have any comment on the possibility of a pipeline from western Canada to Montreal?

Mr. Lewis: No comment.

Mr. Thomson (Battleford-Kindersley): These fellows are more cautious than the Deputy Minister. I will pass for now, Mr. Chairman.

The Chairman: Mr. Dinsdale.

Mr. Dinsdale: I have a few general questions, Mr. Chairman, not necessarily related to the Act that we have before us, because I think it is obvious from the comments this morning that this industry has been closely involved in discussions in the course of preparation of the Act and they are reasonably satisfied with the terms and the contents of the legislation, particularly as I read the discussion that went on in the other place. I would like to take this opportunity, if I could, to ask some general questions because we have some expertise this morning on the problems and prospects of oil and gas development of the North, which I think can provide some enlightening observations.

• 1100

We have been pursuing the question of marketing, and there has been considerable concern over the probable impact on the current market situation in the event of a series of Prudhoe Bay discoveries in the North.

I would imagine that the industry has given considerable thought to this possibility. I know that in years past there were some

[*Interprétation*]

M. Thomson (Battleford-Kindersley): Mettons que nous allons découvrir quelque chose de raisonnable, comme il le semble, est-ce que le tableau pourrait changer considérablement. Au lieu de 42 p. 100 le total pourrait descendre à 30 p. 100 ou à peu près. Par exemple, le pétrole de l'Arctique est vendu sur le marché de Vancouver, et si le pétrole de Prudhoe Bay est vendu aux États-Unis. Je m'intéresse à la situation du marché et au manque de contingentement dans toute l'industrie. L'industrie ne s'en préoccupe peut-être pas elle-même. Je ne devrais peut-être pas m'en inquiéter, mais à titre de cultivateur du blé qui a besoin d'un contingentement de 8 boisseaux pour faire face aux coûts, et qui ne va en obtenir que la moitié ou un peu plus, il y a des difficultés. Je crois que l'industrie pétrolière sera placée dans une situation semblable.

Monsieur le président, j'aimerais poser une autre question. Avez-vous des commentaires à apporter sur la possibilité d'un pipeline de l'Ouest du Canada à Montréal?

M. Lewis: Non.

M. Thomson (Battleford-Kindersley): Ces messieurs sont plus prudents que le sous-ministre. Je cède la parole pour l'instant.

Le président: Monsieur Dinsdale.

M. Dinsdale: J'ai quelques questions d'ordre général, monsieur le président qui ne se rapportent pas tellement à la loi qui nous a été présentée, parce qu'il semble évident que d'après les commentaires de ce matin que l'industrie s'intéresse très étroitement aux discussions qui se rapportent à la préparation du bill. Ils sont satisfaits du libellé et du contenu de la mesure législative, particulièrement si je lis les discussions qui ont eu lieu à l'autre endroit. Si c'était possible, j'aimerais profiter de l'occasion pour poser des questions d'ordre général, parce que nous avons certains experts parmi nous ce matin, au sujet des problèmes et des possibilités de développement du pétrole et du gaz dans le Nord. Cela peut fournir certaines observations qui à mon avis, peuvent nous éclairer.

Nous avons poursuivi l'étude de la commercialisation et nous nous sommes intéressés considérablement aux répercussions possibles sur le marché normal au cas où il y aurait plusieurs découvertes dans le même genre que celle de Prudhoe Bay dans le Nord.

J'imagine que l'industrie a étudié sérieusement cette possibilité. Je sais que dans les années passées il y a eu des études d'enver-

[*Text*]

major studies in this respect, and I can refer to the Quirin Report which I suppose is still the authority in the area of gas and oil production and potential marketing.

With the knowledge that is available on the world oil supply situation would it be fair to ask of Mr. Lewis if we cannot anticipate that, say, within the next decade, any major oil discoveries in the high northern regions of Canada would be fairly easily absorbed into the world oil economy, in view of the population explosion; in view of the astronomical increases in the demand for oil, which is the main lubricant in keeping the whole industrial and technological process going; and in view of the rapid development of technology and industrialization in underdeveloped countries? Would it be fair to ask if the problem of marketing will resolve itself within the next decade or two?

Mr. Lewis: Mr. McDonald has had experience in this area, particularly on the Central Reserves Committee of the Canadian Petroleum Association. I will ask him to elaborate on that.

Mr. McDonald: I think this is quite true, sir. At the present time the marketing situation is reasonably tight and it will probably remain so until about the middle of the 1970. From that point on there will be a general shortage of oil in North America, primarily in the United States.

The United States' reserves, not only of crude oil but of natural gas and of natural gas liquids, did decrease toward the end of 1968. These estimates, as prepared by the American Petroleum Institute and the American Gas Association, did not make any allowance for Prudhoe Bay, as they felt they did not have sufficient information at that time properly to evaluate the magnitude of the reserves. But, excluding this, the reserves have gone down.

The demand in the United States is growing at a tremendous rate, as it will in Canada, and the Prudhoe Bay production will be absorbed quite rapidly by this demand.

There is also room for the production from the territories to come into this market either in Canada or the United States within the next five to seven years.

Mr. Dinsdale: The private companies are enthusiastically participating in exploration in the North. I suppose that had the equivalent of Prudhoe Bay been located in the Canadian high Arctic the private companies would have shown even greaten initiative in prospecting for oil and gas in the north. There has been a

[*Interpretation*]

gure à ce sujet et je veux parler du rapport Quirin qui fait toujours autorité en ce qui a trait à la production du pétrole et du gaz et de leur commercialisation potentielle. Avec les renseignements sur les approvisionnements en pétrole dans le monde, je me demande s'il est à propos de demander à M. Lewis si nous ne pouvons prévoir que dans la prochaine décennie une découverte de pétrole dans le Nord canadien puisse être absorbée assez facilement dans l'économie mondiale en vue d'explosion démographique. En vue de l'augmentation astronomique de la demande de pétrole qui est le produit le plus essentiel au processus technologique mondial et en vue du développement rapide de l'industrialisation technologique dans les pays en voie de développement. Croyez-vous qu'il serait juste de demander si cette question de la commercialisation va être mise au point dans les dix ou vingt ans prochains?

M. Lewis: M. McDonald a pas mal d'expérience à cet égard, particulièrement quand il a siégé au Comité des réserves centrales de l'Association canadienne du pétrole et je vais lui demander de vous répondre.

M. McDonald: Je crois que c'est juste, monsieur. A l'heure actuelle, la situation de la commercialisation est assez serrée, inflexible et sera ainsi jusqu'aux années 70. A partir de ce moment-là il va y avoir une pénurie de pétrole dans le continent nord-américain, surtout aux États-Unis. Les réserves des États-Unis non seulement de pétrole, mais de gaz naturel et de gaz naturels liquides ont diminué vers la fin de 1968. Maintenant les prévisions préparées par l'American Petroleum Institute et l'American Gaz Association, n'ont pas tenu compte de Prudhoe Bay parce qu'il n'y avait pas les renseignements nécessaires à ce moment-là pour évaluer l'étendue des réserves. Mais sauf pour cela, il y a eu justement un déclin dans les réserves. La demande aux États-Unis croît rapidement comme elle croîtra aussi au Canada et la production de Prudhoe Bay sera absorbée très rapidement par cette demande. Il y a aussi place sur le marché pour la production des territoires, soit au Canada ou aux États-Unis, dans les cinq ou sept prochaines années.

M. Dinsdale: Maintenant les sociétés privées participent avec enthousiasme à la prospection dans le Nord. Je suppose que s'il y avait eu découverte semblable à celle de Prudhoe Bay dans l'Arctique des sociétés canadiennes auraient fait preuve d'encore plus d'initiative dans la prospection du

[*Texte*]

certain reluctance up until recent times really, except for some of the smaller companies, to become involved in the northern development. I would assume that since Prudhoe Bay came in the enthusiasm for the prospects of gas and oil development in the north applies right across the board, and that the majors and the minors and everybody are concerned?

• 1205

Mr. Lewis: That is indicated by the sale of permits in the last few months.

Mr. Dinsdale: If Canada had found Prudhoe first it would have changed our logistics considerably, too. We are faced with the problem of where the Prudhoe supply will go, whether they will come across Canada with a new pipeline, or will by-pass Canada.

Mr. Lewis: There are numerous ramifications here that raise a lot of problems requiring a lot of answers.

Arising from the task force of the government and the studies made by oil companies—and there is no question that they are all looking hard at it and have many experts working on it—some suggestions and some ideas will probably be put forward, but at this time this group here today cannot comment on that at all.

Mr. Dinsdale: You would, of course, strongly support the Canadian route for the pipeline from the north?

Mr. Lewis: I cannot even say—Yes; the Canadian Petroleum Association...

Mr. Dinsdale: Perhaps I should not pursue further questions on these lines, but there is a great deal of expertise present this morning. I wanted to take advantage of it.

Mr. Lewis: I think you will get a lot more clarification on these points, Mr. Dinsdale, when the CPA group comes to discuss the brief they have prepared for the Cabinet; and I am certain it will be discussed with other members of the government, if they so desire, subsequent to that time; so that you will be able to get elaboration on many of these points.

Mr. Dinsdale: But could I be so bold as to ask if the industry is happy with the Canadian participation feature?

Mr. MacNicol: Basically, Mr. Dinsdale, you are talking about Section 55. I suppose here I may be breaking a bit of confidence relative

[*Interprétation*]

pétrole et du gaz dans le Nord. Il y a eu certaines réticences, il me semble, jusqu'à tout récemment sauf de la part de certaines petites sociétés quant à leur participation à ces découvertes. Il semble que depuis la découverte de Prudhoe Bay, l'enthousiasme pour la mise au point des découvertes de pétrole ou de gaz se répand de plus en plus et que petits et grands et tout le monde sont impliqués.

M. Lewis: Cela est indiqué par les ventes de permis au cours des derniers mois.

M. Dinsdale: Si le Canada avait découvert Prudhoe en premier, cela aurait changé nos points de vue considérablement aussi. Nous avons à envisager avec le problème de savoir où ira le pétrole de Prudhoe, s'il viendra à travers le Canada par une nouvelle pipeline au Canada ou s'il passera outre au Canada.

M. Lewis: Il y a beaucoup de ramifications ici qui soulèvent beaucoup de problèmes qui demandent des réponses. Selon l'équipe spéciale du gouvernement et les études faites par les sociétés pétrolières, nul doute que tous étudient la question de très près, et qu'ils ont plusieurs experts qui y travaillent, alors des propositions et des idées seront faites probablement, mais à l'heure actuelle le groupe qui comparaît aujourd'hui ne peut commenter.

M. Dinsdale: Alors, vous, probablement, vous appuyez l'acheminement canadien du pipeline venant du Nord?

M. Lewis: Je ne peux même pas dire oui. L'Association canadienne du pétrole...

M. Dinsdale: Peut-être que je ne devrais pas poser d'autres questions à ce sujet, mais il semble que nous avons des experts parmi nous ce matin et je voulais en profiter.

M. Lewis: Je crois qu'il faudrait beaucoup plus d'éclaircissements, monsieur Dinsdale, sur tous ces points, lorsque le groupe du CPA viendra pour discuter le mémoire qu'ils ont préparé pour le Cabinet; et je suppose qu'ils en discuteront avec d'autres membres du gouvernement s'ils le désirent après ce temps-là, de façon à recevoir des éclaircissements sur plusieurs de ces questions.

M. Dinsdale: Puis-je vous demander si l'industrie est satisfaite de la participation canadienne?

M. MacNicol: Essentiellement, monsieur Dinsdale. Vous parlez de l'article 55 probablement. Je suppose que je parle peut-être de

[*Text*]

to one of the matters that will be discussed, but we feel, basically, that Section 55 is restrictive at this particular time because of the virgin nature of the area. We feel that we need all the investments and exploration we can possibly get in the North and that to impose any restrictions at this particular time will have the effect of possibly handicapping potential success.

Mr. Dinsdale: There seems to be a pretty widespread enthusiasm for the potential now. I think Mr. Lewis has indicated that it does not seem to have been deterred to any extent by the Canadian participation features.

Mr. MacNicol: Up to this time, no. It is expensive, as Mr. Lewis has pointed out, but it will possibly become even more expensive once there is some sign of success up there. For instance, at Prudhoe Bay a few years ago you could have picked up land—you probably saw that a druggist there, with a friend, picked up some land for a few hundred dollars and sold it for a few million. Once there is some degree of success even the land prices become astronomical. Suppose we do have a discovery in the Northwest Territories. Probably the prices will go even higher than they are at this time, and if they go too far out of sight then of course this will eliminate a great many potential explorers. We have to carry this forward and get money from wherever we can.

Mr. Dinsdale: But that is a matter that is under consideration, as you say, and representations will be made?

Mr. MacNicol: Yes. To answer your question, we feel, basically, that at this particular time, because of the virgin nature of the area, we should first of all have it developed as the key, and we do not feel that we should impose any restrictions of this kind that would possibly handicap future development.

Mr. Dinsdale: Would you say that the pres-

1210

ent terms of the Canadian participation have in no way discouraged exploration?

Mr. MacNicol: Of course, right at this particular time, Mr. Dinsdale, we are all in the permit areas and there are companies that are still buying.

Mr. Dinsdale: Yes. You are worried about when you go to leave.

[*Interpretation*]

questions un peu confidentielles, mais nous croyons qu'essentiellement la Section 55 est restrictive en ce moment même à cause de la nature inexploitée de la région. Je crois qu'il faut tous les investissements et toute la prospection que nous puissions obtenir dans le Nord et dans ce but toute restriction à l'heure actuelle, aura pour effet d'empêcher les chances de succès.

M. Dinsdale: Il semble que l'on montre assez d'enthousiasme un peu partout pour le projet maintenant. M. Lewis nous dit que cet enthousiasme n'a pas été freiné de quelque façon par la participation canadienne.

M. MacNicol: Pas pour le moment, comme M. Lewis l'a fait remarquer, mais cela va devenir encore plus coûteux lorsqu'on voit qu'il y a des chances de succès là-haut. Par exemple, à Prudhoe Bay, il y a quelques années, vous auriez pu acheter du terrain, vous voyez probablement un pharmacien là-bas, avec un ami qui ont acheté des terrains pour quelques cents dollars et les vendre pour quelques millions. Mais une fois qu'il y a des chances de succès, même les prix deviennent astronomiques. Supposons que nous ayons une découverte dans les Territoires du Nord-Ouest, probablement que les prix vont être encore plus élevés qu'ils le sont à l'heure actuelle et ils sont trop à la hausse, cela éliminera plusieurs des explorateurs en puissance. Nous devons aller de l'avant et obtenir de l'argent de quelque source que ce soit.

M. Dinsdale: C'est une question qu'on étudie dans le moment, comme vous l'avez dit, et il y aura des instances à ce sujet, n'est-ce pas?

M. MacNicol: Oui. Pour répondre à votre question, nous croyons essentiellement qu'à l'époque actuelle, étant donné l'aspect vierge de la région, nous devrions premièrement l'exploiter comme endroit clef et nous ne croyons pas que nous devrions imposer quelque restriction de ce genre qui pourrait faire du tort au développement futur.

M. Dinsdale: Diriez-vous que les conditions actuelles de la participation canadienne n'ont en aucune façon découragé l'exploration?

M. MacNicol: Évidemment, pour le moment M. Dinsdale, nous sommes tous dans les domaines des permis et il y a des sociétés qui en achètent encore.

M. Dinsdale: Oui. Vous vous inquiétez au sujet du bail.

[*Texte*]

Mr. MacNicol: That is right. At the last land sale there were several companies who held permits obtained prior to Section 55, and they are all right because Section 55 was not retroactive. However, they are still buying permits and paying sizable amounts of money in the hope that eventually this will be changed. So basically it has not deterred them to this date but when they go to lease then, of course, I do not know what will happen. But they are gambling. They just cannot go to lease and, of course, they cannot get the development.

Mr. Dinsdale: Would you disagree with the provision which necessitates basing shares on the Canadian stock exchange? This is permissive—they can either be picked up or left alone. It certainly provides the opportunity for Canadians to participate.

Mr. MacNicol: That is right and I think basically that this Association cannot criticize. Certainly we are all Canadians around here and every opportunity should be given to Canadians to invest in their own resources.

Mr. Dinsdale: What would be the main feature of Canadian participation that would be objectionable at the lease stage?

Mr. MacNicol: I think that in the future, once this is developed and that we know that we have the discoveries and that we are fairly into the development area, this could possibly be a very favourable clause, but in the exploration stage, going back and repeating myself again, we need all the investment from wherever we can receive it, and if we put in restrictive legislation to rule out maybe a very vast percentage of potential investment dollars, then I think that basically we are the losers.

Mr. Dinsdale: So actually there is no criticism over Section 55 as it stands because it does provide freedom at the exploration stage—at the permit stage.

Mr. MacNicol: At the permit stage, of course, there is no problem. It is at the lease stage that you come into the problem.

The Chairman: Mr. Orange.

Mr. Orange: Mr. Chairman, I think this should be directed to yourself just for clarification purposes. You mentioned earlier in the meeting that the provinces of Saskatchewan and Alberta had been invited to make representations to the Committee. You indicated that nothing had been heard from

[*Interprétation*]

M. MacNicol: C'est exact. Lors de la dernière vente de terrain plusieurs sociétés avaient des permis qu'elles avaient obtenus avant les dispositions de la Section 55, et ça allait parce que les mesures n'étaient pas rétroactives. Seulement, elles continuent d'acheter des permis, et à payer des sommes considérables, dans l'espoir que la situation changera. Donc en fait cela ne les a pas découragés jusqu'ici, mais lorsque viendra le moment de leur bail, alors je ne sais pas ce qui arrivera. De toute façon c'est un jeu de chance. Elles ne peuvent pas avoir de bail, et naturellement ne peuvent rien en tirer.

M. Dinsdale: Seriez-vous contre la disposition qui nécessite que les actions soient fondées sur la bourse canadienne des valeurs? C'est facultatif—on peut les prendre ou les laisser. Les Canadiens ont ainsi la chance de participer.

M. MacNicol: C'est exact et je pense qu'au fond notre association ne peut pas critiquer. Certes nous sommes tous des Canadiens et les Canadiens devraient avoir toutes les chances d'investir dans leurs propres ressources.

M. Dinsdale: Quelle serait la principale caractéristique de la participation canadienne à laquelle on pourrait s'opposer au niveau du bail?

M. MacNicol: Je pense que, une fois que vous mettez çà au point, une fois qu'on sait qu'on a des découvertes et que l'on commence à faire de l'exploitation, c'est certain que cela pourrait être une clause très favorable mais au niveau de l'exploitation, je me répète encore une fois. Nous avons besoin de tous les investissements d'où qu'ils viennent et si nous imposons des mesures législatives restrictives, qui nous feront peut-être perdre beaucoup de millions de dollars en investissement, alors je pense qu'au fond nous sommes les perdants.

M. Dinsdale: Donc, vous ne critiquez pas l'article 25 tel qu'il existe dans le moment parce qu'il donne assez de liberté au stade le l'exploration, c'est-à-dire au stade du permis.

M. MacNicol: Au niveau du permis, bien sûr, il n'y a pas de problème. C'est au stade du bail qu'il y a problème.

Le président: M. Orange.

M. Orange: Monsieur le président, je pense que c'est à vous qu'il faut poser cette question simplement à des fins de précision. Plus tôt au cours de la réunion, vous avez dit que des invitations avaient été envoyées aux provinces de la Saskatchewan et de l'Alberta les invitant à présenter des commentaires au Comité.

[*Text*]

the provinces. What I am really curious about is whether there were formal invitations extended.

• 1215

The Chairman: Mr. Orange, there were no formal invitations extended. A temporary member of the steering committee, Mr. Thomson, spoke to representatives of both governments and there was no indication of interest from either government. There was a communication from a representative of the government of Alberta to the Clerk of the Committee indicating that they would not be appearing before the Committee. That is as far as it went. There was no formal invitation.

Mr. Orange: Was there any indication of why they would not appear or had no desire to appear before the Committee?

The Chairman: There was no indication of a desire on their part to appear before the Committee. They were informed of the proceedings and there was no reaction to this notice on our part of the proceedings. I presume that one of the reasons for this is that the Bill is concerned only with the Yukon and the Northwest Territories and does not affect them.

Mr. Orange: I just want to be clear in my own mind that they are aware that they are welcome if they wish to come before the Committee. The indication was that they did not want to appear or chose not to appear, and I guess we can draw whatever conclusions we want from their reaction.

The Chairman: That is correct, Mr. Orange. Have you any further questions?

Mr. Orange: No, I just wanted clarification on that point.

Mr. Cullen: Mr. Chairman, I had success with my first suggested amendment, so I know that I am not going to run into similar co-operation from the organization on, let us say, Clause 14(1). Clause 14(1) provides for protection against waste and in a nutshell says:

> Where the Chief Conservation Officer on reasonable and probable grounds is of the opinion that waste, other than waste as defined in paragraph (f) or (g) of subsection (2) of section 13, is being committed, the Chief Conservation Officer may, subject to subsection (2) of this section, order that all operations giving rise to such waste cease until he is satisfied that the waste has stopped.

[*Interpretation*]

Vous avez fait remarquer que ces provinces n'avaient pas répondu du tout.

Je serais curieux de savoir exactement si ces invitations étaient officielles?

Le président: Monsieur Orange, aucune des invitations n'était officielle. M. Thomson, provisoirement membre du Comité directeur, s'est entretenu avec des représentants des deux gouvernements et aucun ne s'est montré intéressé. Nous avons reçu un communiqué envoyé par un représentant du gouvernement de l'Alberta au greffier du Comité disant que cette province ne témoignerait pas au Comité. C'est tout ce qu'il y a eu. Pas d'invitation officielle.

M. Orange: Est-ce qu'ils ont dit pourquoi ils n'allaient pas comparaître ou n'avaient pas le moindre désir de comparaître au Comité?

Le président: Aucune indication de leur part qu'ils désiraient témoigner au Comité. Ils ont été mis au courant de la procédure et n'ont aucunement réagi à cet avis de procédure. Je suppose qu'une des raisons est que le projet de loi ne vise que le Yukon et les Territoires du Nord-Ouest et ne les concerne pas.

M. Orange: Je veux simplement préciser que s'ils désident venir témoigner au Comité, ils sont les bienvenus. Ils ont fait savoir qu'ils ne voulaient pas comparaître ou ont choisi de ne pas comparaître. Nous pouvons donc en tirer les conclusions que nous voulons.

Le président: C'est bien cela, monsieur Orange. Vous avez d'autres questions?

M. Orange: Non, je ne désirais qu'une explication sur ce point.

M. Cullen: Monsieur le président, la première modification que j'ai proposée a eu du succès, mais je sais que je n'aurai pas autant de collaboration de la part des membres au sujet, disons, de l'article 14(1).

L'article dit:

> Lorsque le Directeur de la conservation, en se fondant sur des motifs raisonnables et probables, est d'avis qu'il y a du gaspillage, autre que celui défini aux alinéas *f*) ou *g*) du paragraphe (2) de l'article 13, il peut, sous réserve du paragraphe (2) du présent article, ordonner la cessation de toutes les opérations qui entraînent ce gaspillage jusqu'à ce qu'il soit convaincu qu'il n'y a plus de gaspillage.

[*Texte*]

There is a little clause in there "subject to subsection (2)", and subsection (2) says:

> Before making any order under subsection (1), the Chief Conservation Officer shall hold an investigation at which interested persons shall be given an opportunity to be heard.

This whole clause seems to me to be geared to protecting industry rather than affording protection against waste and I wondered if you had any comments to make on that. It seems to me that there is adequate protection if the officer makes his ruling, stops the work and holds an investigation afterwards within 15 days. Then there is also a right of appeal under Clause 16. Do you think the industry is a little over-protected with clauses 14 and 16?

Mr. Lewis: No, I do not think so. I feel that in some of these areas of waste, whether or not there is waste is a question of some doubt and a question of some argument, and we foresee that subclause (2), which says that he will make an investigation, could be quite cursory. He could call in the company representative the same day.

I do not think this has to be a very formal hearing in the ordinary sense and he could ask questions or talk to some other people. But once he makes the decision, it could be pretty far-reaching in some areas, as when you shut down wells or shut down a field. And, of course, the Appeal to Committee provision could possibly take some time. There might be some expert evidence; there might be a lot of data that have to be obtained, and we feel that if there is a violation and it is discussed with the company and it continues, well then he should have the power right away to turn it down. But I do not think that this is protection of industry.

I think that when you are dealing with sums of money and the problems of people in the North and out-of-the-way places, if there does appear to the Conservation Officer to be waste he should at least call you in and dis-

• 1220

cuss it. I cannot see this clause to mean a formal hearing.

Mr. Cullen: The answer you have given just seems to accentuate my position, quite frankly, because you state that on appeal, expert evidence would have to be brought in and that there might be a delay. If I may continue my questioning, you say that under subsection (2) it could be a very cursory examination but I can see this Conservation Officer coming before a board or a tribunal

[*Interprétation*]

Il y a un petit article «sous réserve du paragraphe (2)», sous réserve du paragraphe (2) se lit:

> (2) Avant de rendre une ordonnance en vertu du paragraphe (1),... doit faire une enquête à laquelle les intéressés auront la possibilité d'être entendus.

Il me semble que tout cet article 14 protège l'industrie au lieu de permettre la protection contre le gaspillage, et je me demande si vous avez des commentaires à faire là-dessus? Il semble qu'il y a protection valable si un directeur rend une ordonnance, arrête les travaux et fait ensuite une enquête dans les 15 jours. L'article 16 accorde de plus un droit d'appel. Ne croyez-vous pas que l'industrie est un peu trop protégée en vertu des articles 14 et 16?

M. Lewis: Non, je ne le crois pas. Dans certains de ces secteurs de gaspillage, qu'il y ait ou non gaspillage est une question douteuse et sujette à discussion, et nous prévoyons que l'enquête que ferait le directeur aux termes du paragraphe (2) pourrait être fort courte. Il pourrait convoquer le représentant de la société le jour même.

Je pense qu'il ne soit nécessaire d'avoir une audience très officielle. On peut poser des questions, ou parler à d'autres gens. Mais une fois qu'il prend une décision, ça peut avoir des conséquences assez étendues. S'il décide de fermer un puits ou un champ. L'appel au Comité pourrait peut-être prendre un certain temps. On peut avoir besoin de témoignages d'experts et d'une foule de données à réunir. Nous pensons que s'il y a infraction, qu'on en discute avec la société et que ça continue, à ce moment-là le Directeur de la conservation devrait pouvoir fermer l'exploitation tout de suite. Mais je ne pense pas que ce soit là protéger l'industrie.

Je crois que lorsque vous traitez de sommes d'argent et des problèmes des gens du Nord et des endroits reculés, si le Directeur de la conservation juge qu'il y a du gaspillage, il devrait au moins vous faire venir et en discuter. Il ne s'agit pas d'une audition officielle.

M. Cullen: Vous étayez mon argument puisque vous dites qu'en appel les témoignages d'experts doivent être présentés et qu'il peut y avoir des retards. Si vous me permettez de continuer ma question, vous dites que l'interrogatoire effectué en vertu du paragraphe (2) pourrait être très court, mais je vois le Directeur de la conservation se présenter devant un Comité ou un tribunal ou une cour

[*Text*]

on an appeal, and if I were asking questions, I would say, "What did you base your decision on?" "Well, I based my decision on my expert knowledge, on what I saw on the ground and a discussion I had with the man who was operating that particular plant." Then you overwhelm him with all your expertise at the appeal.

Mr. Lewis: But I think that subclause (3) does in effect give him the right to shut it down right away.

Mr. Cullen: My point is that I think subclause (3) should be in clause 14(1) and that the appeal should flow from that to give him the authority. You are asking him to make a judgment decision and, I think, to go quite a long way. It has to be on reasonable and probable grounds that he makes his finding in the first instance. This man is obviously going to be involved in a very important area of decision-making. You said that all he has to do is make a cursory examination under Section 2..

Mr. Lewis: Reasonable.

Mr. Cullen: Well, reasonable—you used the word "cursory". I think under the section it says "reasonable". It just seems to me that if there is, in fact, a waste here while waiting for the appeal and waiting for hearings that there could be a considerable amount. Clause 14(3) seems to me to be a safeguard on (2) and Clause 16 seems to me to be a further safeguard. Your opinion is that it is all right the way it is and that the man is not being hamstrung or tied up in knots or legal red tape in order to make a declaration?

Mr. Lewis: This is the practice used in western Canada. It is taken from the Alberta Act, and as it works very satisfactorily there we would not want to see it changed.

Mr. Cullen: But for whom does it work satisfactorily? You are talking on behalf of the petroleum industry.

Mr. Lewis: Both sides. The Conservation Board in Alberta, as far as I know, never had any complaint with this section. There is tremendous cooperation and if there is waste I think this prevents it.

Mr. Cullen: I do not deny that there is probably terrific cooperation but we are setting something forth in an Act here as a

[*Interpretation*]

d'appel, et les questions que je pourrais lui poser: «Sur quoi avez-vous basé votre décision?» Eh bien! sur mes connaissances d'expert, sur ce que j'ai vu, sur le terrain et sur la discussion que j'ai eue avec l'exploitant de l'usine en question. Alors, vous l'écrasez avec votre expertise en cour d'appel.

M. Lewis: Mais je pense que le paragraphe (3) lui donne effectivement le droit de fermer l'établissement sur le champ.

M. Cullen: Mais d'après moi, c'est à l'article 14(1) qu'on devrait le mentionner et ensuite parler de l'appel. Vous lui demandez de porter un jugement et, je pense, d'aller assez loin. Cela doit se faire sur des bases raisonnables et probables qu'il a fait sa première découverte au cours de son premier essai. Il est évident que cette personne sera plongée dans une importante phase décisionnelle. Vous dites que tout ce qu'il a à faire est un examen hâtif en vertu de l'article 2...

M. Lewis: Raisonnable.

M. Cullen: Disons raisonnable. Vous avez utilisé les mots «hâtif», «superficiel». Je pense qu'en vertu de cet article on dit raisonnable. Pour moi, il me semble que s'il y a en fait une perte, en attendant l'appel, et l'audience, que cette perte pourrait se chiffrer à un montant considérable. L'article 14, paragraphe 3 me semble une protection envers le paragraphe 2 et l'article 16 me semble lui aussi une autre protection. Selon votre opinion il semblerait que la façon dont la loi est rédigée est correcte vu le fait que la personne ne se verrait pas sans recours ou les mains liées, ou encore prise dans un dédale juridique pour faire une déclaration?

M. Lewis: C'est la pratique que l'on utilise dans l'Ouest du Canada. Elle est plus ou moins tirée de la loi de l'Alberta, et comme cette pratique est satisfaisante nous ne voyons pas pourquoi elle devrait être changée.

M. Cullen: J'aimerais savoir pour qui elle est satisfaisante? Parlez-vous au nom de l'industrie pétrolière?

M. Lewis: Pour les deux parties. L'une le «Conservation Board» de l'Alberta, en autant que je puisse l'affirmer, n'a jamais reçu aucune réclamation vis-à-vis de cet article. Il y a une très bonne collaboration, et s'il y a une perte quelque part je pense que cette loi la prévient.

M. Cullen: Je ne veux pas nier ici qu'il y ait probablement une très bonne collaboration mais nous établissons quelque chose dans la

[*Texte*]

guideline,—particularly the chief conservation officer, and under 14(3) he makes an order and within 15 days he must hold an investigation, and following that there would be an appeal. At worst the company would be held up 15 days.

Mr. Lewis: In the field in practice you will find that a conservation officer is frequently a person who is just out of school. He may have graduated very early, or been just a short time in the petroleum field, or maybe not have been in the petroleum field. We contemplate here that the chief conservation officer would be a skilled person and that this new man would report to him and give the results of his investigation. We thought at this point the chief might want to talk to one of the oil companies because it is sometimes a pretty serious thing to shut down an operation.

My recollection is that this was a point of discussion at the time, that the chief conservation officer could be in Ottawa and something could happen some miles away and he might be one of these green individuals who felt that before he shut it down he should have an investigation or discussion.

Mr. Cullen: You are making another one of our points, and that is I do not think the chief conservation officer dealing with this particular Act should be in Ottawa; he should be where the action is. That is a policy aspect of it. I do not think it is a matter that he is hard to get, that he is on holidays from Ottawa or something, or has his head office in Ottawa. First of all, he should be on the scene.

Mr. Lewis: As the industry grows and the number of wells increase and the pools become more diversified it will be physically impossible for a chief conservation officer to go in as an individual and view it himself.

I feel he has to rely on these other people. At the same time, if he is sitting in Yellowknife, for instance, and something happened out on the Delta and one of these young fellows said it was waste, I think it is only right that he should discuss it with the oil companies and come to some decision. Perhaps that

[*Interprétation*]

loi afin que cela serve de ligne directrice, particulièrement en ce qui concerne le directeur de la conservation. En vertu de l'article 14, paragraphe 3, il peut rendre une ordonnance et dans les quinze jours qui suivent il doit faire une enquête à la suite de laquelle il pourra y avoir appel. Ainsi tout au plus la compagnie pourrait être obligée d'attendre 15 jours.

M. Lewis: Sur le terrain, vous trouverez en pratique un employé de la conservation frais émoulu d'une école quelconque. Il peut être récemment diplômé, ou depuis très peu de temps dans l'industrie pétrolière, ou encore n'avoir jamais été employé dans ce domaine. Nous voulons ici que le directeur de la conservation soit une personne rompue à ce genre de travail et que le jeune employé puisse venir à lui et lui transmettre les résultats de ses enquêtes. Nous pensons qu'à ce point le directeur devra avoir un entretien avec l'une des compagnies pétrolières car c'est souvent une chose très sérieuse que de fermer une exploitation.

Si je me souvient bien, ceci a déjà fait l'objet de discussions à l'époque, à savoir que le directeur de la conservation pourrait éventuellement être logé à Ottawa et que si quelque chose survient à une grande distance de là et qu'il soit une de ces personnes sans formation qui pense qu'avant de fermer une exploitation il doit absolument faire une enquête ou avoir un entretien, le délai pourrait être très long.

M. Cullen: Vous venez de confirmer une autre de nos objections, ainsi je ne pense que le directeur de la conservation devant mettre en application cette loi particulière devrait avoir son bureau à Ottawa. Il devrait être sur place. Je ne crois pas qu'un tel homme devrait être difficile à rejoindre ou en vacances à Ottawa ou ailleurs ou qu'il ait son bureau à Ottawa. Avant toute chose il devrait être sur place.

M. Lewis: Au fur et à mesure que l'industrie prend de l'expansion et que le nombre de puits augmente et que les bassins deviennent de plus en plus diversifiés, il devient physiquement impossible pour un directeur de la conservation de se rendre sur place en tant qu'individu et de se faire une opinion par lui-même.

Je pense qu'il doit pouvoir faire confiance à d'autres personnes. En même temps, s'il siège à Yellowknife, par exemple, et que quelque chose survienne dans le Delta et que l'un de ces jeunes employés déclare qu'il y a là une perte, je pense qu'il n'est que normal qu'il puisse discuter de la chose directement avec

[*Text*]

is what this means but in the event that it is a serious violation sub-clause (3) comes into being and he can stop it immediately. It is a

• 1225

question probably of severity, I suppose. We would not want it changed.

Mr. Cullen: My attitude is that the chief conservation officer, even if he sends in Joe Dokes to do the job, has the ultimate responsibility and he is the one who has to make the determination that it warrants going into the Delta and having a look at it. It is not the young man on the spot who shuts down the operation. It is a matter of him reporting to the chief conservation officer who in turn ultimately stops the operation. If I was the chief conservation officer and did not have confidence I would go into the Delta. Thank you, Mr. Lewis.

The Chairman: Mr. Southam.

Mr. Southam: Mr. Chairman, during our committee meeting discussions we related some of our questions and comments to Clause 4 on the setting up of the Oil and Gas Committee and then related it to Clause 6 dealing with matters of pecuniary interest on the part of the members of the committee. We went on to say that the three members should not have a pecuniary interest in the oil and gas industry in Canada in an amount in excess of 5 per cent of the issued shares thereof.

I have made some comment on this and I think you, yourself, Mr. Chairman, followed it up; also Mr. Kaplan, I think, and others. They were going to get some further legal advice on this particular phase of the Bill. Would you care to comment on that yourself?

The Chairman: Mr. Southam, excuse me but I missed the start of your comments.

Mr. Southam: At the last meeting we had a discussion at some length about the setting up and establishing of a gas and oil committee under Clause 4. It says:

> 4. (1) The Governor in Council may establish a committee under the direction

[*Interpretation*]

les compagnies pétrolières afin d'en arriver à une décision quelconque. Peut-être que c'est bien là ce que l'on veut dire mais au cas où une violation sérieuse survienne, le paragraphe 3 peut être invoqué et le directeur peut arrêter l'exploitation immédiatement. Je pense qu'il s'agit là probablement d'une question de sévérité. Et nous ne voulons pas qu'elle soit changée.

M. Cullen: Mon opinion est que, le directeur de la conservation, même s'il envoie Jean-Baptiste pour faire le travail, et il est la personne qui détient l'ultime responsabilité et qui doit prendre la décision qu'il vaut la peine de se rendre dans le Delta et de se faire une opinion sur place. Ce ne doit pas être un jeune employé sur le terrain qui devra fermer une exploitation. Pour lui il s'agit de faire rapport au directeur de la conservation qui à son tour prendra la décision de fermer l'exploitation. Si j'étais à la place du directeur de la conservation et que je n'aie pas confiance dans le rapport qui m'est soumis, je me rendrais moi-même sur les lieux dans de tels cas. Merci, monsieur Lewis.

Le président: Monsieur Southam.

M. Southam: Monsieur le président, au cours de nos réunions de comité, nous avons dirigé certaines de nos questions et certains de nos commentaires en fonction de l'article 4 qui traite de la création d'un comité du pétrole et du gaz, et ensuite vis-à-vis de l'article 6 qui a pour objet des intérêts pécuniaires des membres de ce dit comité. Nous avons dit que trois membres parmi le comité ne devraient avoir aucun intérêt pécuniaire dans l'industrie pétrolière et l'industrie du gaz naturel au Canada pour un montant excédant 5 p. 100 du capital souscrit d'une compagnie quelconque.

J'ai fait certains commentaires à ce sujet et je pense que vous-même, monsieur le président, vous les avez suivis, ainsi que M. Kaplan, je crois, et d'autres députés. Des députés voulaient s'assurer auprès de divers conseillers juridiques de la signification de cette partie précise de la loi. Pourriez-vous commenter ces diverses études vous-mêmes?

Le président: Monsieur Southam, voulez-vous m'excuser mais je n'ai pas compris le début de vos commentaires.

M. Southam: Au cours de la dernière réunion, nous avons eu une discussion très élaborée à propos de l'établissement d'un comité du pétrole et du gaz, en vertu de l'article 4 qui dit:

> 4. (1) Le gouverneur en conseil peut établir un comité dirigé par le ministre et

[*Texte*]

of the Minister to be known as the Oil and Gas Committee, which shall consist of five members, not more than three of whom shall be employees in the public service of Canada.

Following through to Section 6 it says:

6. No member of the Committee shall have a pecuniary interest of any description, directly or indirectly, in any property in oil or gas to which this Act applies or own shares in any company engaged in any phase of the oil or gas industry in Canada in an amount in excess of five per cent of the issued shares thereof.

There was quite a lengthy discussion about whether this pecuniary interest might become cumbersome with respect to the interest of this committee. You, yourself, expressed the opinion that maybe we should get some further advice on this. Have you gone into this matter yourself? Mr. Kaplan is not here this morning, but, if I remember correctly, he was also concerned. I introduced the topic.

The Chairman: Going strictly from memory, Mr. Southam, either Mr. O'Connell or Mr. Kaplan suggested getting this advice. I am not even sure if they did suggest an advice be sought as to the legality of the 5 per cent interest. In any event, this advice has not been sought by the committee. If you wish to propose this formally now, we shall undertake to do this between now and the next meeting.

In the meantime, perhaps, Mr. Southam, you could ask the witnesses who are here today their opinion on this particular section.

Mr. Southam: I would not know to whom to direct this. Would any of the witnesses here care to comment on this section of the Bill?

Mr. Lewis: Yes, sir. I was present at the discussion some years ago with the Department when the question of the membership of this committee and the duties of the committee were discussed, and this particular point became the subject of quite a long discussion. The industry's position, which has not changed, was that we visualize that the two members on the committee who were outside the government would probably be men who had had a long experience in the industry, who could possibly have been retired or close to retirement. To attract such people to a board that is not full-time would be very difficult if we insisted that they divest themselves of all interests they might have in an

[*Interprétation*]

appelé Comité du pétrole et du gaz formé de cinq membres, dont trois au plus doivent appartenir à la fonction publique du Canada.

et suivant l'article 6 qui dit:

6. Aucun membre du comité ne doit avoir, directement ou indirectement, d'intérêt pécuniaire quel qu'il soit afférent à la propriété de pétrole ou de gas à laquelle s'applique la présente loi, ni être propriétaire de plus de 5 p. 100 des actions émises par une compagnie qui participe à un stade quelconque de l'industrie pétrolière ou gazière au Canada.

Il y a eu une longue discussion à savoir si cet intérêt pécuniaire pourrait devenir encombrant vis-à-vis des intérêts que ce comité aurait à défendre. Vous avez vous-même exprimé l'opinion que l'on devrait avoir d'autres avis à ce sujet. Vous êtes-vous vous-même informé? M. Kaplan n'est pas présent ce matin, mais si je me souviens bien il était lui aussi, préoccupé vis-à-vis de cet article.

Le président: Si je m'en tiens uniquement à ma mémoire, ni M. Southam, ni M. O'Connell et ni M. Kaplan n'ont demandé à consulter. Je ne suis même pas sûr qu'ils aient demandé qu'un avis soit donné au sujet de la légalité de l'intérêt de 5 p. 100. En tout cas, cet avis, ces conseils n'ont pas été recherchés par le comité. Si vous désirez faire une proposition maintenant, nous pouvons faire ces recherches d'ici la prochaine réunion.

Entre-temps, vous pourriez peut-être, monsieur Southam, demander aux témoins qui sont ici présents, aujourd'hui, quelle est leur opinion vis-à-vis de cet article précis.

M. Southam: Je ne pourrais pas savoir à qui m'adresser. Est-ce que l'un des témoins ici présents pourrait faire un commentaire au sujet de l'article de cette loi?

M. Lewis: Oui, monsieur. Je représentais mon ministère à une discussion, il y a quelques années, où la question de l'élection des membres de ce comité et des tâches qu'il aurait à remplir, furent discutées. Ce sujet fut particulièrement l'objet d'une longue discussion. La position de l'industrie pétrolière, qui n'a pas changé, voulait que deux des membres du comité qui ne seraient pas nommés par le gouvernement devraient être des hommes qui ont acquis une longue expérience dans l'industrie pétrolière, qui sont possiblement à la retraite ou près de la retraite. Attirer de pareils candidats pour les faire siéger à un comité qui ne représente pas un emploi à plein temps, serait extrêmement difficile si

[*Text*]

oil and gas share capital. We felt that the people would possibly have a certain amount of their assets in some of these companies, so then the discussion centred around a percentage.

That was very difficult to determine. In a large company, such as the one I am employed by, five per cent would probably be very difficult to obtain and it would not have any influence. On some of the smaller companies it might be more influential as far as the direction of the company is concerned. Therefore, it was a question of just pulling a number out of the air, and 5 per cent seemed to be very reasonable. With that amount we felt people of the type that we wanted would be willing to act on the committee. I would think that if a person were on the committee when one of the companies came up in which he owned any shares, he should at least disclose his position and the fact that he had an interest in the shares. We did not think that one member would influence the committee too much; there are five people on the committee. So, we could not see that there was any real problem in this particular area to achieve the goal that we thought we wanted and the help the Department thought they needed. It was a compromise. Perhaps the amount is not correct but the Canadian Petroleum Association would like to see the continuation of this clause in the bill and we would not recommend any change in the 5 per cent.

The Chairman: Do you wish to pursue this, Mr. Southam, and have the Clerk or myself ask the legal counsel for his view?

Mr. Southam: It was you who spoke, Mr. Lewis, was it not?

Mr. Lewis: Yes, sir.

Mr. Southam: He indicated that this did give them considerable difficulty, and there was quite a lengthy discussion about it. As you remember, Mr. Chairman, we had the same lengthy discussion at the last Committee meeting and it was my impression that we were going to get some further advice on this particular matter. I appreciate what Mr. Lewis says, that we need people on this Committee who have wide knowledge with respect to the oil and gas industry. In other words, you are inferring that it would be very difficult to find men with the qualification of

[*Interpretation*]

nous insistons pour que ces personnes se séparent de tous les intérêts qu'elles pourraient avoir dans des valeurs pétrolières ou gazières. Nous pensons que ces personnes pourraient avoir un certain montant de leurs économies dans de semblables compagnies, ainsi la discussion s'est déplacée sur la question du pourcentage.

C'est une chose très difficile à déterminer. Dans une compagnie importante, telle que celle qui m'emploie actuellement, 5 p. 100 des actions pourraient être très difficiles à acquérir et pourtant cela n'aurait aucune influence. Dans des compagnies plus restreintes, cela pourrait avoir beaucoup d'influence en tant que la direction de la compagnie est touchée. Ainsi, il fut question uniquement de déterminer un chiffre et 5 p. 100 semblait très raisonnable. Avec ce montant nous pensons que les personnes que nous pourrions pressentir voudraient bien participer en tant que membres à un tel comité. Je pense que si une personne siège sur un comité, lorsqu'une compagnie dans laquelle elle détient un intérêt devra être interrogée, cette personne devrait pour le moins faire part de sa position et du fait qu'elle possède un intérêt quelconque dans le capital de cette société. Je ne pense pas qu'un membre puisse avoir une influence considérable sur le comité. Surtout que le comité est formé de cinq membres. Par conséquent, nous ne pouvions voir qu'il existait quelque problème réel dans cette région particulière pour réaliser l'objectif que nous voulions et l'aide que recherche le ministère. C'était un compromis. Mais la *Canadian Petroleum Association* voudrait voir se continuer cet article du bill, et pour cette raison, nous ne recommanderions pas un changement de 5 p. 100.

Le président: Voulez-vous continuer vos questions, monsieur Southam? Ou, voulez-vous que le secrétaire, ou que moi-même je demande l'opinion du conseiller juridique?

M. Southam: C'est vous qui avez parlé, monsieur Lewis, n'est-ce pas?

M. Lewis: Oui, monsieur.

M. Southam: Il a dit que cela a alors causé des difficultés énormes, si vous vous souvenez, monsieur le président, nous aussi nous avons eu de longues discussions sur cet article, à la dernière réunion du Comité, et je croyais que nous étions pour obtenir d'autres conseils sur cette question particulière. Je comprends ce que M. Lewis dit, que nous avons besoin de gens à ce Comité qui connaissent bien l'industrie du gaz et du pétrole. En d'autres termes, vous laissez à entendre qu'il serait très difficile de trouver des hommes qui ont la qualité d'être complètement départis d'inté-

[*Texte*]

being completely divested of direct interests in the oil industry. In other words, you need them and yet you anticipate they would have some pecuniary interest in the industry as a whole.

Mr. Lewis: Yes. As I mentioned, we thought they would be at an age when they would have some assets, and it follows that because they have been in this business all their lives that naturally some of their assets would be in this area. The only recommendation I could make is the one I suggested a moment ago, that perhaps some words could be added to the effect that upon acceptance of membership in the Committee they may have to declare their interest in oil and gas companies. Then there is a possibility that, like judges, they can refuse to act on hearings that may affect any of the companies in which they hold shares.

Mr. Southam: I think that is a good suggestion, Mr. Chairman. I would be satisfied if this could be added. If they declared themselves I think it would clear them and satisfy the people concerned whenever the matter came up for discussion under the jurisdiction of this Committee. I bring it up, Mr. Chairman, because, as I said, it occupied a great deal of time during our discussions at the last meeting.

The Chairman: Mr. Southam, I will undertake to obtain a legal opinion on the validity of this 5 per cent clause, which is what you suggested initially, and I will also consult with the Department of Justice to determine if more acceptable wording can be worked out, and we will report back to the Commit-

• 1235

tee at the next meeting. I have a question from Mr. St. Pierre, I believe, on clause 13. If members of the Committee...

Mr. Cullen: Are we leaving this particular area? If we are, I think it should be pointed out that the kind of suggestion that was made by Mr. Southam, and I think endorsed by Mr. Lewis, is going to lead to all kinds of problems because even if at the time a gentleman becomes a member of this particular Committee he declares his interest in whatever oil or gas industry it may be, that will not be the end of it. As a member of the Committee it is conceivable that he might continue to buy stock and shares in companies.

Speaking for myself, if I were sitting as a member of that Committee and I decided to

[*Interprétation*]

rêts directs dans l'industrie du pétrole. En d'autres termes, vous en avez besoin et encore vous vous attendez à ce qu'ils soient intéressés à l'industrie pétrolière pour l'ensemble.

M. Lewis: Oui, comme je l'ai mentionné nous avons cru qu'ils seraient à un âge où ils auraient certains biens, et il s'ensuit que, parce qu'ils ont été dans ce genre d'affaires toute leur vie, que naturellement certains de leurs investissements seraient dans ce domaine. La seule recommandation que je puisse faire est celle que j'ai faite il y a un moment, que peut-être certains mots pourraient être ajoutés à l'effet que sur leur acceptation de siéger à ce Comité, ils peuvent avoir à déclarer ce qu'ils ont comme actions dans les sociétés gazières et pétrolières. Alors, il est possible que, comme juges, ils peuvent refuser d'agir à des auditions qui peuvent affecter l'une quelconque des sociétés dont ils détiennent des actions.

M. Southam: Je serais satisfait de cette suggestion, monsieur le président. On pourrait peut-être ajouter ces termes à l'article. Je crois que s'ils déclaraient les actions qu'ils possèdent, cela les mettrait à l'abri et pourrait peut-être satisfaire tout le monde quand la question serait soulevée sous la juridiction du Comité. Je l'ai soulevée, monsieur le président, parce que nous en avons débattu longuement lors de notre dernière réunion.

Le président: Monsieur Southam, je vais faire appel au conseiller juridique quant à la validité de cet article sur le 5 p. 100. C'est ce que vous avez suggéré au début. Je consulterai également le ministère de la Justice pour savoir si on peut trouver un libellé plus juste et je soumettrai tous ces renseignements à la prochaine réunion du Comité. Monsieur St-Pierre a une question à poser sur l'article 13. Si les membres du Comité...

M. Cullen: Laissons-nous ce domaine particulier? Si oui, je crois qu'on doit signaler que la suggestion faite par M. Southam, appuyée par M. Lewis, va nous causer toutes sortes de problèmes parce que, même si quelqu'un, au moment où il devient membre de ce Comité particulier, déclare ce qu'il a comme actions dans une société gazière ou pétrolière, ça ne sera pas la fin. Comme il sera membre du Comité, on peut très bien entrevoir qu'il peut continuer à acheter d'autres actions et parts dans des sociétés.

Moi-même, si je faisais partie de ce Comité, et je décidais d'aller m'acheter 5,000 actions

[*Text*]

go out and buy 5,000 shares in a particular company, this would then become public information. I think it will be very difficult to find members who are expert in this field who do not have shares in the industry and who are prepared to come forth and say how much of an interest they have in the industry. Then each time they make a purchase they will have to say, "Well, fellows, I have just bought another 5,000 shares, so I will have to change my declaration". I think this will make it extremely difficult. They will have to swear an affidavit that they will do their best and that they will be fair and impartial, and so on. I agree with what Mr. Lewis said in the first instance, that they will not sway things that much, they will not have that much effect, but I think it should be limited. I do not think that somebody like Mr. Palin, the President of the Union Gas Company of Canada, Limited, or the Canadian operation, should sit as a member of this Committee.

I think if we unduly limit this thing we will have a very difficult time in getting experts to sit on this Board who are prepared to declare their holdings in this industry.

The Chairman: Mr. Southam, what is your position on this?

Mr. Southam: Mr. Chairman, I am just basing my comments on the discussion, and I thought that some relevant and pertinent comments were made at the last meeting. It was some of the government's own party members who were requesting this, and I supported their contention and I think you also made some comments that are on the record. I think your suggestion of possibly getting a little legal advice from the law officers of the Crown would be a good idea, and you could bring that report to the next meeting. I would be satisfied with whatever you considered reasonable.

The Chairman: Thank you, Mr. Southam. Mr. St. Pierre.

Mr. St. Pierre: Thank you, Mr. Chairman. I am basically concerned, one might say, with a single word in Clause 13. This clause reads:

> 13. (1) Subject to subsection (5) of section 48, any person who commits waste is guilty of an offence under this Act, but no prosecution may be instituted for such an offence without the consent in writing of the Committee.

It is the word "consent" which concerns me. It appears to me that under this clause there would be an appointed body which would

[*Interpretation*]

d'une société, cela deviendrait alors un renseignement public. Je crois que s'il nous faut trouver des experts dans le domaine qui n'ont pas d'actions dans cette industrie et qui soient disposés ensuite à déclarer ce qu'ils ont acheté en matière d'actions, je crois que ce sera très difficile. Alors, chaque fois qu'ils feront un investissement, ils devront dire: «Eh bien, messieurs, je viens d'acheter 5,000 autres parts, je dois donc changer ma déclaration. Cela sera très difficile. Il faudra alors exiger un affidavit attestant qu'ils feront de leur mieux, qu'ils seront justes et impartiaux, etc. Je conviens avec ce que M. Lewis a dit dans le premier cas, qu'ils n'influenceront pas les choses tant que cela, ils n'auront pas tellement d'effet, mais je crois qu'il faut certaines restrictions. Je ne crois pas que quelqu'un comme M. Palin qui est président de l'*Union Gas Company of Canada Limited* ou de l'exploitation canadienne, devrait siéger comme membre du présent Comité.

Mais je crois que si nous restreignons cette chose indûment, nous aurons beaucoup de difficultés à obtenir des experts qui voudront siéger à cette commission et seront prêts à déclarer leur teneur en actions pétrolières.

Le président: Monsieur Southam, quelle est votre position là-dessus?

M. Southam: Monsieur le président, je me fonde sur la discussion que nous avons eue. Il me semblait que des commentaires pertinents avaient été faits à la dernière réunion. Je crois que c'était justement des députés du gouvernement qui demandaient cela et je les ai appuyés. Vous avez également fait des commentaires qui sont dans le compte rendu. Je crois que votre suggestion, à savoir que vous allez demander des conseils légaux aux conseillers juridiques de la Couronne, est très bonne, et vous pourriez apporter ce rapport à la prochaine réunion. Je serai satisfait de ce que vous regardez comme raisonnable.

Le président: Merci, monsieur Southam. Monsieur St-Pierre.

M. St-Pierre: Merci, monsieur le président. Moi ce qui m'inquiète, c'est essentiellement un seul mot de l'article 13(1):

> Sous réserve du paragraphe (5) de l'article 48, quiconque fait du gaspillage est coupable d'une infraction en vertu de la présente loi, mais aucune poursuite ne peut être intentée pour une telle infraction sans le consentement écrit du Comité.

Le mot qui m'inquiète dans cet article est le mot «consentement» qui me préoccupe. Il me semble qu'au terme de l'article, nous aurions

[*Texte*]

independently decide in individual cases whether or not the Act would be enforced. What is the position of your group on this?

Mr. Thomson (Battleford-Kindersley): In effect you are making them a judicial body.

Mr. St. Pierre: In effect they would be super-judicial.

Mr. Thomson (Battleford-Kindersley): They decide whether a charge is going to be laid or not.

Mr. Lewis: That is correct, and it is not an unusual section in an Act where the consent of the Solicitor General or the attorney general of a province has to be obtained before an offence can be prosecuted. Here I think it probably means that the Committee would have to consider the severity of the offence with respect to prosecution, and they would not prosecute in each and every case. There may be other prohibitions that would be even more useful in stopping waste.

Shutting down a plant or closing down a well is perhaps a lot more effective than a fine, and this is probably what it means. If they want to prosecute under the penalty sections they must have consent, but there are a lot of other...

Mr. St. Pierre: You are speaking of the threat of prosecution on trivial offences, but how do you feel about an appointed body making such a judgment? Your example of attorneys general agreeing to prosecution is another matter. Attorneys general are elected, they are Cabinet ministers, they are part of a responsible government organization. This is not a responsible body and it is not an elected body, it an appointed body. It is composed of civil servants and private citizens, and it seems to me the word "consent" places them in the position of deciding, in one sense, whether or not the Act shall be enforced in this or that case, and in another sense, which you brought forward, whether they consider the offence sufficiently severe to warrant prosecution.

This seems to be an extraordinary amount of power to give an appointed body.

Mr. Lewis: We certainly have not any strong feeling on this. I think the only real thing that you can say in support of the Committee having this right is that they will have been working within the ambit of the proposed act, they will have some knowledge of oil and gas and they will have some experts

[*Interprétation*]

un organisme qui désormais déciderait indépendamment des cas individuels que la loi soit mise ou non en application. Quelle est l'opinion de votre groupe à ce sujet?

M. Thomson (Battleford-Kindersley): De fait, vous en faites un organisme judiciaire?

M. St-Pierre: De fait, ils seraient super-judiciaires.

M. Thomson (Battleford-Kindersley): Ils décident si une accusation sera portée.

M. Lewis: C'est exact et ce n'est pas un article qui déroge lorsque le solliciteur général ou le procureur général d'une province doit donner son consentement avant qu'une poursuite ne soit intentée. Ce que nous voulons dire ici, c'est que le Comité doit étudier la gravité de l'infraction par rapport à l'accusation, l'on ne poursuivrait pas dans tous les cas. Il peut y avoir d'autres interdictions plus utiles pour empêcher le gaspillage.

Par exemple, comme fermer les portes d'une usine ou fermer un puits serait peut-être plus efficace qu'une amende et c'est peut-être ce que cela veut dire. S'ils veulent poursuivre aux termes de l'article sur les pénalités, il faudrait avoir le consentement, mais il y a une foule d'autres...

M. St-Pierre: Est-ce que vous parlez surtout des poursuites pour des infractions de peu de gravité? Qu'est-ce que vous pensez d'un organisme nommé qui passe un tel jugement? Par exemple, l'exemple des procureurs généraux de provinces qui consentent à une poursuite est une autre question. Les procureurs généraux sont élus, ce sont des ministériels, ils font partie d'une organisation responsable de gouvernement. Et ce que nous avons ici, ce n'est pas un organisme élu, mais un organisme nommé, composé de fonctionnaires en partie, et de citoyens privés, et le mot «consentement», il semble ici, les met dans une position de décider, en un sens, si la Loi va être appliquée dans tel ou tel cas, ou dans le deuxième sens que vous venez de nous expliquer, à savoir si l'infraction est assez grave pour qu'il y ait poursuite.

Cela semble donner un pouvoir extraordinaire à un organisme nommé.

M. Lewis: Nous n'avons certainement pas de sentiment profond à ce sujet. Je crois que tout ce qu'on peut dire ici pour appuyer le droit du Comité, est qu'ils auront travaillé dans le cadre de la loi proposée. Ils auront des connaissances sur le pétrole et le gaz et il y aura certains experts qui y travailleront. Je

[*Text*]

on it. I am certain that whoever considered this thought that they were in a better position to know whether the waste was serious or whether it was trivial. It seemed to be a logical person to ask for consent before you prosecuted. I must agree with your argument that they are not elected, that they are rather an appointed servant of the Crown, and a lot can be said from that point of view. I would think this is more the administration of the act from the Department's point of view than from the industry's point of view. I do not think that we had anything to do with that particular wording. It may or may not have been there but we did not give it any particular thought or discussion as far as I can remember.

Mr. St. Pierre: Mr. Chairman, this is a portion of the proposed act which I feel should be amended. I think we could retain the activity of the Committee in this matter, but I think that instead of it reading "without the consent in writing of the Committee" it should read, "No prosecution may be instituted for such an offence without the Minister having first sought the opinions of the Committee." He will have received the opinions but I personally cannot see that an appointed body should have the right to consent or withhold consent for infraction of an act.

Mr. Lewis: We certainly do agree to the wording "consent in writing of the Minister"—just changing the word "Committee" to "Minister"—and I am certain that a Minister would rely on his staff before he made a decision whether or not there should be prosecution. I think that might get away from your objection.

Mr. St. Pierre: This would overcome my objection, yes.

The Chairman: Gentlemen, I would like to make a proposal. If an amendment is indicated for Clause 13 perhaps it could be prepared by the next meeting. Mr. Thomson has a question. Could we proceed to go through the bill now and stand any of the clauses which members feel may be the subject of an amendment and passing the remainder? Would this meet with the approval of the Committee?

Some hon. Members: Agreed.

Mr. Thomson (Battleford-Kindersley): My question was in a different area, Mr. Chairman. Since we have a pipeline expert here I did want to ask a question. I do not want to

[*Interpretation*]

suis certain que toute personne qui ait étudié cette question qu'il était dans une meilleure position pour savoir si le gaspillage est grave ou non. Il semble que ce serait une personne logique à interroger pour avoir un consentement avant que vous ne preniez des mesures juridiques. Par ailleurs, je conviens que ce ne sont pas des membres élus, et qu'ils sont nommés comme serviteurs de la Couronne et qu'on peut dire beaucoup à ce sujet.

Alors, je crois que c'est le rôle de l'administration de la loi, du point de vue du ministère plutôt que de celui de l'industrie. Ce n'est pas vraiment l'industrie ici qui a son mot à dire. Je ne crois pas que nous ayons eu quelque chose à faire dans cet énoncé en particulier. Il peut y avoir été ou non, mais nous n'y avons pas songé très sérieusement du mieux de ma connaissance.

M. St-Pierre: Monsieur le président, voilà un article de la Loi qui, à mon avis, doit être modifié. On doit retenir peut-être l'activité du Comité pour cette question, mais au lieu d'avoir cette expression, «sans le consentement par écrit du Comité,» on devrait peut-être dire, aucune poursuite judiciaire peut être instituée pour cette infraction avant que le ministre ait d'abord consulté le Comité. Il aura reçu des opinions mais je ne crois pas qu'un organisme doit avoir le pouvoir de consentir ou de ne pas consentir à l'infraction d'une Loi.

M. Lewis: Nous sommes certainement d'accord sur l'énoncé «consentement par écrit du ministre.» Nous pourrions peut-être changer le mot comité et mettre plutôt le mot ministre. Je crois que le ministre, lui, consulterait son personnel avant de décider si oui ou non il va y avoir poursuite.

M. St-Pierre: Oui, c'est juste. Cela surmonterait l'objection que j'ai.

Le président: Messieurs, j'ai une suggestion à vous faire. S'il faut un amendement à l'article 13, on peut le préparer à la prochaine réunion. Monsieur Thomson vous avez une question à poser?

Pouvons-nous passer à étudier le bill maintenant, tout en réservant les articles qui doivent faire l'objet d'amendements et passer le reste. Le Comité est-il d'accord de procéder de cette façon-là?

Quelques députés: D'accord.

M. Thomson (Battleford-Kindersley): Monsieur le président, ma question est dans un sens tout à fait différent. Comme nous avons un expert des pipe-lines, ici, je ne veux pas

[*Texte*]

comment on the desirability of a market but, rather, on the costs of transporting oil for example, by pipeline across Alaska versus a pipeline to Edmonton; the cost of transporting oil, shall we say, to Montreal; and if we were to build a pipeline from Toronto to Montreal would we have to have another pipeline from Edmonton to Toronto or is the present one adequate. Have you done any research in this area?

Mr. MacNicol: Basically, as an association, Mr. Thomson, the answer would be no. Certainly, the proponents of such a pipeline have studied it quite extensively. As far as a line is concerned—and I think I should possibly restrict my comments to the area of, say, Edmonton to Toronto—every year or every three years Interprovincial, which is the carrier from that area, is continually looping, such as does Trans-Canada, because of the increase in demand. This past year Interprovincial did a large looping project.

So if additional markets were found it would primarily just mean additional looping in certain areas. Pipe sizes change from area to area, some are operating at close to 100 per cent capacity while others may be only operating at 50 per cent capacity. So it would not mean a complete new line necessarily but in certain areas there would have to be extensive looping.

Mr. Thomson (Battleford-Kindersley): Have you done any research on the possible cost, say, from the Mackenzie Delta to Edmonton?

Mr. MacNicol: This whole area, Mr. Thomson, is being studied I believe by the task force which the government has appointed. Certainly studies are being conducted by certain industry members. There are two problems as far as the industry at large is concerned. Any studies that have been done to date by companies are completely confidential, simply to give them on advantageous position, so little is really known.

This opens up a whole area of problems, such as laying pipe in permafrost,—you know it is not like across the Prairies—problems that have never been encountered before such as engineering problems, technical problems that are evidently of such magnitude that it is still too early to get any real idea of cost. But

[*Interprétation*]

poser une question. Je ne veux pas faire de commentaires quant à savoir si un marché serait souhaitable ou non. Je m'intéresse surtout au coût du transport du pétrole, le coût, par exemple, de pipe-lines allant de Alaska à Edmonton. Ou à l'acheminement du pétrole, disons, jusqu'à Montréal. Si nous avions construit un pipe-line de Toronto à Montréal, faudrait-il un autre pipe-line allant de Edmonton à Toronto, ou celui qui existe est-il suffisant. Avez-vous fait des études en ce sens?

M. MacNicol: Essentiellement, comme association, monsieur Thomson, je dois dire que non. Les gens qui proposent un tel pipe-line l'ont étudié d'une façon assez complète. En autant qu'une ligne est en cause je pense que je devrais limiter mes commentaires à la région d'Edmonton à Toronto. Chaque année, plutôt une fois tous les trois ans, la société Interprovincial qui fait le transport de cette région, fait une boucle constamment comme la route transcanadienne à cause de l'accroissement de la demande. L'année passée «Interprovincial» a fait un grand projet de boucles.

Donc, si de nouveaux marchés étaient découverts, essentiellement, cela voudrait dire qu'on ferait tout simplement d'autres boucles dans certaines régions. Les lignes de transmission changent d'une région à l'autre et parfois elles peuvent fonctionner à pleine capacité, tandis que d'autres fois à la moitié de leur capacité. De sorte, que cela ne voudrait pas dire dans certaines régions seulement nécessairement un nouveau réseau complètement, mais dans certains secteurs il faudrait faire des boucles assez considérables.

M. Thomson (Battleford-Kindersley): Avez-vous étudier le coût possible d'étendre une voie d'acheminement du delta du Mackenzie jusqu'à Edmonton?

M. MacNicol: Eh bien, monsieur Thomson, le groupe d'études nommé par le gouvernement étudie cette question-là. Et je sais que des recherches aussi sont certainement faites par des membres de certaines industries. Il y a deux problèmes, en ce qui a trait à l'industrie en général. Jusqu'ici, toutes les études qui ont été faites sont confidentielles, simplement pour leur donner une position avantageuse.

Mais, on sait bien que ceci ouvre la voie à toutes sortes de problèmes «permafrost», des problèmes que l'on a jamais rencontrés comme des problèmes de génie, techniques, qui sont d'une telle ampleur, qu'il est trop tôt pour avoir une idée réelle des coûts. Mais je pense que les recherches du gouvernement et

[*Text*]

this area, certainly by certain groups and also by the government, is being quite extensively studied.

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, I have another question and if you think it is out of order you can rule me out. In reference to a national oil policy...

The Chairman: Mr. Thomson, we are getting away from the subject of the bill now. May I suggest that we proceed through the clauses on which we do not have any argument and then we can come back. I have a couple of general questions too that I would like to ask and which really have nothing to do with the bill. However, I would suggest that we hold them in abeyance until after we have completed the Clauses. Is yours a general question Mr. Orange?

Mr. Orange: It is specific, Mr. Chairman.

The Chairman: Mr. Orange.

Mr. Orange: In reading the bill I see there is no indication of where the Committee's headquarters should be located or where the hearings should be held. The impression seems to be that the Committee will be located in Ottawa as part of the resources division of the Department of Indian Affairs and Northern Development. Have the witnesses any views on the location of the Committee and also on where the hearings should be held? I think there was a reference earlier to the fact that the chief conservation officer might be in Ottawa when his services were required up on Melville Island, at Inuvik or in other places such as this.

I ask this question because I am wondering if the activities of the group should not be in the area where the action is.

• 1250

Mr. Lewis: Well, Mr. Orange, we visualized that hearings would be heard as close to the seat of the industry or the problem area as possible because a lot of the hearings necessitate expert witnesses and people familiar with the locale. It would be our thought that it would be held in different places, that it would not be in one set spot such as the transport board in Ottawa. It could be held may be in Calgary, Edmonton, Yellowknife, or right up to Aklavik, depending on the problem being discussed or considered.

[*Interpretation*]

de l'entreprise dans ce domaine sont assez poussées.

M. Thomson (Battleford-Kindersley): M. le président j'ai encore une autre question, et si vous trouvez qu'elle est irrecevable dites-le moi. A l'égard d'une politique nationale sur le pétrole...

Le président: Monsieur Thomson, nous nous écartons de l'objet du Bill. Permettez-moi de faire une suggestion. Nous pourrions étudier les articles sur lesquels nous n'avons pas de controverse et ensuite revenir à d'autres questions. Il y a quelques questions d'ordre général que je voudrais poser qui n'ont rien à voir avec le projet de Loi. Je suggère qu'on les tiennent à l'écart jusqu'à ce que nous ayons fini d'étudier les articles. Monsieur Orange, votre question est-elle générale ou spécifique?

M. Orange: Spécifique, monsieur le président.

Le président: M. Orange.

M. Orange: En lisant le projet de Loi, je crois qu'il n'y a pas le moindre indice de l'emplacement des quartiers généraux du Comité, de l'endroit où seront tenues les audiences. Il semble que le Comité sera à Ottawa et fera partie de la Direction des ressources du ministère des Affaires indiennes et du Nord canadien. Et je voudrais demander aux témoins s'ils ont certaines idées sur l'emplacement du Bureau du comité et de l'endroit où l'on tiendra les audiences. Je sais que plus tôt on a peut-être mentionné que le Directeur de la conservation pouvait se trouver à Ottawa lorsqu'on aurait besoin de ses services à Melville Island, à Inuvik où dans d'autres endroits semblables.

Je pose cette question parce que j'ai l'impression que les activités du groupe devraient être dans la région où se trouve l'activité.

M. Lewis: Eh bien M. Orange, je crois que les réunions devraient se tenir aussi près que possible du siège de l'industrie ou de la région problème. Souvent, au cours de ces audiences, les témoins sont des experts, car une grande partie des réunions ont besoin d'avoir des gens qui connaissent bien la question. Nous avons pensé aussi que le Comité se déplacerait et il n'aurait pas tout simplement un quartier général fixé à Ottawa comme le Comité des transports. Il pourrait se trouver à Calgary, à Edmonton et à Yellowknife ou ailleurs et même plus loin jusqu'à Aklavik selon le problème qui est étudié.

[*Texte*]

Mr. Orange: What about the location of the staff, sir?

Mr. Lewis: We have not any real feeling on that. Our main precedent here would be the Alberta Conservation Board which sits in Calgary because it is the headquarters of practically all the major and independent oil companies operating in Calgary in the exploration and production fields. It is easy to discuss problems with engineering people, executives and the other disciplines that are necessary when problems arise. This may shift as time goes on and you may find that hearings could be heard somewhere in the North.

Mr. Orange: Mr. Chairman, I agree with your proposal on those clauses which are non-controversial, but I would like to think about it a little more and possibly hear from the departmental officials at another time with regard to their plans primarily for the location of the staff of the Board. I feel, in view of the philosophy outlined by the Department with regard to northern resources, that the committee staff primarily should be located somewhere north of the 60th parallel.

The Chairman: Mr. Orange, is there a particular clause that you would like stood so that we can give your suggestion further consideration?

Mr. Orange: I think possibly Clause 5.

The Chairman: We intend to stand that one anyway.

Mr. Orange: I just thought that I should register my concern that the staff be located close to where the action is and not, say, in Ottawa, where it is completely divorced from reality.

Mr. Thomson (Battleford-Kindersley): Well put.

The Chairman: Gentlemen, can we proceed now with the bill.

Clause 1 stood.

Clauses 2 and 3 agreed to.

Clauses 4 to 6 inclusive stood.

Clauses 7 to 12 inclusive agreed to.

Clause 13 stood.

The Chairman: Mr. Cullen, do you want Clause 14 stood?

[*Interprétation*]

M. Orange: Et pour l'endroit où devrait se trouver le personnel monsieur?

M. Lewis: Nous n'avons pas réellement d'opinion à ce sujet. Notre principal précédent serait le conseil de conservation de l'Alberta qui se trouve à Calgary, parce que c'est là que se trouve le siège social de la plupart des grandes sociétés indépendantes de pétrole qui exploitent à partir de Calgary dans le domaine de l'exploration et de la production. Il est facile de discuter des problèmes avec les ingénieurs, les administrateurs et des autres groupes en cause chaque fois qu'un problème se pose. Naturellement cette situation peut changer avec le temps et il serait fort possible de prévoir des audiences dans le Nord quelque part.

M. Orange: Je suis d'accord avec votre proposition, à l'égard des articles qui ne sont pas très controversés, mais j'aimerais avoir la possibilité d'y penser plus longuement, peut-être poser des questions aux fonctionnaires du ministère quant à leurs projets pour le siège social de la Commission. Je crois que, vu la philosophie du ministère à l'égard des ressources du Nord canadien, il faudrait situer la Commission au Nord du soixantième parallèle.

Le président: Monsieur Orange, est-ce qu'il y a un article en particulier que vous voudriez qu'on réserve afin de nous permettre d'étudier votre suggestion plus longuement?

M. Orange: Je crois que l'article 5 serait l'article en cause.

Le président: Nous avions l'intention de la réserver de toute façon.

M. Orange: D'accord. J'ai cru qu'il valait mieux exprimer mon inquiétude au sujet de l'emplacement du siège social de la Commission; qu'elle soit sur les lieux mêmes plutôt qu'à Ottawa où elle serait complètement éloignée de la réalité.

M. Thomson (Battleford-Kindersley): Bien parlé.

Le président: Messieurs, est-ce que nous pourrions reprendre l'étude du Bill?

L'article 1 est réservé.

Les articles 2 et 3 sont adoptés.

Les articles 4 à 6 inclusivement sont réservés.

Les articles 7 à 12 inclusivement sont adoptés.

L'article 13 est réservé.

Le président: Monsieur Cullen, est-ce que vous voulez qu'on réserve l'article 14?

[*Text*]

Mr. Cullen: No. I think I have had the answer I want. It is kind of tying it up but I think Clause 3 gives the kind of protection to the stoppage of waste that I am more concerned with.

• 1255

Clauses 14 to 58 inclusive agreed to.

The Chairman: Mr. Thomson has a general question.

Mr. Thomson (Battleford-Kindersley): I have a question for Mr. Lewis. In reference to the national oil policy and consultations with the government do you come before the National Energy Board, or is it strictly at Cabinet level?

Mr. Lewis: Yes.

Mr. Thomson: Thank you.

The Chairman: Are there any further questions, gentlemen? If not, I have one or two.

Gentlemen, last autumn when the Indian Affairs Committee looked into the question of employment of Indian people we had an indication that the oil industry was taking some steps in the direction of training courses for young Indian and Eskimo workers.

I am sure Committee members will be interested in learning what particular efforts the oil industry is making in this regard now and what additional efforts they plan. I noted that Mr. Lewis in his remarks felt that it was in the interest of Canada that private enterprise should develop the oil industry in the Northwest Territories. Presumably if there are going to be developments in the Northwest Territories the first people who should benefit from these developments are the native peoples of the Northwest Territories. I would like to know, since the private oil industry has indicated an interest in carrying on the development of the Northwest Territories and the Yukon in the area of oil exploration and development, what you are doing now and what you plan to do to ensure that these benefits accrue to the people living there.

Mr. Lewis: I will just start on this and then ask Mr. Walton to elaborate because I think he is more familar.

As a general rule the industry hires people in the area, local inhabitants, when they can—and this would be true of the white

[*Interpretation*]

M. Cullen: Non. Je crois que j'ai reçu les réponses que je cherchais. Je vous remercie de l'offre mais je crois que l'article 14 accorde la protection que je recherchais contre le gaspillage.

Les articles 14 à 58 inclusivement sont adoptés.

Le président: M. Thomson a une question d'ordre général à poser.

M. Thomson (Battleford-Kindersley): Je la poserai à M. Lewis, au sujet de la politique nationale sur le pétrole et des consultations avec le gouvernement, vous adressez-vous à la Commission nationale de l'énergie ou strictement au niveau du cabinet?

M. Lewis: Oui.

M. Thomson (Battleford-Kindersley): Merci.

Le président: D'autres questions? Sinon, j'en ai une ou deux à poser.

L'automne dernier, lorsque le Comité des Affaires indiennes a étudié la question de l'emploi des Indiens, on nous a laissé entendre que l'industrie du pétrole prenait des mesures pour établir des cours de formation pour les jeunes ouvriers Indiens et Esquimaux.

Je suis convaincu que les membres du Comité veulent savoir quels efforts particuliers votre industrie fait à cet égard, à l'heure actuelle? Quels autres efforts envisage t-elle? J'ai noté que, dans ses commentaires, M. Lewis croit que, dans l'intérêt du Canada, l'entreprise privée devrait développer l'industrie du pétrole dans les Territoires du Nord-Ouest. Il semble raisonnable d'espérer que s'il se produit des développements dans les Territoires du Nord-Ouest, les premiers à en profiter soient les indigènes. J'aimerais savoir, puisque l'industrie privée du pétrole semble s'intéresser à se développer dans les Territoires du Nord-Ouest et le Yukon, ce que vous faites à l'heure actuelle et ce que vous prévoyez faire à l'avenir pour faire en sorte que ce soit les indigènes qui profiteront de ces avantages.

M. Lewis: Je vais dire quelques mots et je demanderai ensuite à M. Walton d'en parler davantage, car je crois qu'il s'y connaît mieux.

Règle générale, l'industrie embauche des gens de l'endroit, si possible, ce qui vaut pour les blancs, les Indiens et les Esquimaux du

[*Texte*]

• 1300

people, the Indians and the Eskimos in the North. I think you are all aware that there was a training school for Eskimos in Edmonton this winter and that about 50 of them graduated and went into the North to take over some of the jobs.

At the present time one of the officials of the government is in Calgary investigating the industry's present and future requirements so that training can be directed into the areas where the labour is needed. We do not want to waste time or money in educating people in a field that will not be used by our industry if our industry develops the way we see it and hope it will develop in the North. Mr. Walton is quite familiar with this and I will ask him to elaborate on that joint labour committee with industry and government.

Mr. L. K. Walton (Past Chairman, Canadian Petroleum Association): I might just go a little further with what Mr. Lewis has said as far as actual employment at the present time is concerned. There are a number of natives who are at present working with industry on seismic crews as drivers of either tractors or trucks. This is an area where they have been given quite extensive training, and it is an area where they need extensive training to be qualified to handle this very expensive equipment. It does take some time to train these people. There has been training in Yellowknife and in Edmonton, as Mr. Lewis has pointed out, and a number of them are being employed. I am not prepared to say at the moment just how many, but this training has been successful to some extent.

There are also problems; on occasion they do not stay as long as we would like them to stay when they have been paid. But this is a normal problem, and I think it is being handled.

This most recent investigation being conducted jointly by industry and the government is to determine exactly where the present needs are, and to satisfy these needs so that when they have trained them there is some place for them to go, and that when they go they are going to be of value to the company and they can immediately go to work. But because of the seasonal nature of the operations in the Territories, oftentimes the training is not used, and sometimes it is easily forgotten, and they need retraining.

There are many problems, and there is no rapid solution to these problems. But I think that as development proceeds, with more

[*Interprétation*]

grand nord. Vous savez tous qu'il y a une école de formation pour les Indiens et les Esquimaux à Edmonton cet hiver, dont cinquante ont reçu leur diplôme et sont retournés dans le nord pour accepter certains de ces emplois.

A l'heure actuelle, un des fonctionnaires du gouvernement se trouve à Calgary et fait enquête sur les besoins présents et futurs de l'industrie afin d'orienter la formation en fonction de ces besoins. Nous ne voulons pas perdre de temps ni d'argent à former les gens dans des domaines qui ne serviront plus à notre industrie si elle se développe comme nous le prévoyons dans le nord. M. Walton est très au courant de cette question et je vais lui demander de vous donner des précisions sur ce Comité conjoint du travail, de l'industrie et du gouvernement.

M. L. K. Walton (ex-président, Canadian Petroleum Association): J'irai peut-être un peu plus loin que M. Lewis pour ce qui est de l'emploi, à l'heure actuelle. Il y a un certain nombre d'indigènes qui travaillent dans le moment dans l'industrie comme chauffeurs de camion ou de tracteur. C'est un domaine pour lequel ils sont bien formés. Ils ont besoin d'une formation poussée pour pouvoir utiliser cet équipement très dispendieux. Cela prend un peu de temps pour former ces gens. Il y a eu des cours de formation à Yellowknife et à Edmonton, comme M. Lewis l'a signalé et un certain nombre ont été employés. Je ne peux vous dire le chiffre exact à l'heure actuelle, mais le programme de formation a réussi sous certains rapports.

Il y a aussi des problèmes; à l'occasion, ils ne restent pas aussi longtemps au travail que nous le voudrions, lorsqu'on les a payés. Mais c'est un problème assez naturel et je crois que l'on y fait face. L'enquête qui se fait à l'heure actuelle, conjointement par l'industrie et le gouvernement, vise à déterminer où sont les besoins actuels et à y répondre, pour qu'une fois formés, ils aient un emploi où ils pourront être utiles à la compagnie. Mais à cause de la nature saisonnière de l'exploitation, dans les Territoires, bien souvent, la formation n'est pas mise à contribution, et parfois, elle est facilement oubliée, et il faut alors des cours de recyclage.

Il y a beaucoup de problèmes et pas de solutions faciles. Mais à mesure que le développement se poursuit, dans peu de temps ces

[*Text*]

exposure these people will be able to fit in and more of them are being fitted in at the present time, but it is going to be a slow process.

The Chairman: Mr. Walton, you said you had no idea of either their number or the percentage they form of the total labour force of the oil industry in Canada or in any of the provinces of Canada, or in the Northwest Territories.

Mr. Walton: It would be very small. The number that are being employed would be small. I say this because at the time there are certain crews that are operating in the Territories which will have about two or three in their crews. These crews will be there for two or three or four months, and then of course when they are finished, the natives are let go because they stay there. But as other crews come up they pick up the local help and employ them as extensively as they are able to.

The Chairman: Mr. Walton, the oil industry has been carrying on extensive operations in Alberta for at least 30 or 40 years, longer than that even. What is the number of native people you are employing in that province? Do you have any idea? What is the percentage?

Mr. Walton: We are using 100 per cent there. If they are qualified and available, they will be employed.

• 1305

Mr. Lewis: The word "native" I think has mislead Mr. Walton a little. I am a native Calgarian. Am I one?

The Chairman: I will be more specific and I will say Indian people in Alberta. I would like to know how many Indian people are in the employ of the oil industry in Alberta. It is the understanding of this Committee that at least 40 or 50 per cent of adult Indian males in this country are unemployed for a good portion of the year, and I presume that this is the case in Alberta as well as in the rest of Canada. And some of the new areas in which your industry is working in Alberta are areas where there are substantial Indian populations, in the northern part of the province.

Members of this Committee, I think, would be interested in learning what initiatives you people are taking to bring more of these people into the labour market. Are you taking any initiatives yourselves? Or is it correct to

[*Interpretation*]

gens vont pouvoir s'intégrer, et beaucoup plus s'intègrent, à l'heure actuelle, mais c'est un travail lent.

Le président: Monsieur Walton, vous dites que vous ne savez pas quel est leur pourcentage au sein de la main-d'œuvre de l'industrie pétrolière, au Canada, ou dans les provinces canadiennes ou dans les Territoires du Nord-Ouest.

M. Walton: Le pourcentage est minime. Le nombre de ceux qui sont employés est minime. Je dis cela car, à certains moments, des équipes travaillent dans les Territoires, des équipes qui ne comptent que deux ou trois membres. Ces équipes y travaillent deux, trois ou quatre mois, et quand elles ont fini, on laisse partir les indigènes, car ils y restent. Mais, à l'arrivée des autres équipes, on reprend la main-d'œuvre locale et on l'utilise le plus possible.

Le président: Monsieur Walton, l'industrie pétrolière a une exploitation assez considérable dans l'Alberta, depuis trente ou quarante ans, je crois, et peut-être depuis plus longtemps. Quel est le nombre d'indigènes que vous employez dans cette province? Avez-vous une idée de ce chiffre-là? Quel est le pourcentage?

M. Walton: Nous en employons 100 p. 100. S'ils ont les qualités requises, ils seront employés.

M. Lewis: Je crois que le mot «indigène» a quelque peu induit en erreur M. Walton. Je suis un «indigène» de Calgary, n'est-ce pas?

Le président: Je vais être plus précis. Je parlais des Indiens de l'Alberta. J'aimerais savoir combien d'Indiens sont à l'emploi de l'industrie pétrolière, en Alberta? Le Comité croit savoir qu'au moins 40 à 50 p. 100 de la population indienne adulte et mâle sont employés pendant une bonne partie de l'année. Et je présume que c'est le cas en Alberta, comme ailleurs au Canada. Et certaines des nouvelles régions où votre industrie fonctionne, en Alberta, sont des endroits où il y a une population indienne considérable, dans la partie nord de la province.

Les membres du Comité, je crois, aimeraient savoir quelles initiatives vous prenez pour embaucher un plus grand nombre de ces gens. Y a-t-il des initiatives qui ont été prises par vous, ou est-il juste de dire que la seule

[*Texte*]

assume that the only initiative that has been taken is this recent joint one, and prior to that there were no initiatives?

Mr. Walton: No, that is not quite the case. There has been over the years a determined effort on the part of industry to employ as many Indian people as they can on a casual basis, because where they have been properly trained and integrated they are automatically employed. There are really two groups we are looking at; those who are employed on a casual basis and those who are permanent employees. There are a number of Indian people in Alberta who are permanently employed by industry, and there are those who are picked up casually, depending on the need. And I think we would be safe in saying that a representation of them is being employed, but seismic crews are very highly technical people, and so we cannot employ very many.

The Chairman: Is there any effort being made, or contemplated if it has not been made in the past, to train in co-operation with the government, young Indian men for seismic work, drilling work, and well-head operation work. Has this been done in the past? If not, is it contemplated now?

Mr. Walton: The only answer I have is that they are being employed to the extent that they can be trained.

The Chairman: But there is no special program in force.

Mr. Walton: Not that I am aware of.

Mr. Cullen: I suggest we adjourn. We have 50 minutes for lunch.

The Chairman: We would like to have these gentlemen here for a few more minutes. If the government were to co-operate with the oil industry and perhaps even set up a subsidized program whereby Indian trainees would work with your drill riggs, with your well-head operations and with your seismic crews for certain periods to learn the trades, do you think that there is room for this kind

• 1310

of operation whereby perhaps the wages of these people would be subsidized for a certain period during training, with the co-operation of an effort on the part of the oil industry to absorb these people into the mainstream of our northern and western economy?

[*Interprétation*]

initiative qu'on a prise est cette récente initiative conjointe, et qu'avant cela on n'a pris aucune initiative?

M. Walton: Non, ce n'est pas le cas. Il y a eu, au cours des ans, un effort concerté, de la part de l'industrie, pour utiliser autant d'Indiens que possible, de façon intermittente, car s'ils ont été convenablement formés et intégrés, ils sont employés d'office. Il existe en fait deux groupes: les employés intermittents et les employés permanents. Un certain nombre d'Indiens de l'Alberta sont employés d'une façon permanente par l'industrie, d'autres d'une façon intermittente, selon les besoins. Et je crois qu'il est juste de dire que leur nombre est représentatif, mais les équipes sismologiques sont très spécialisées, et nous ne pouvons donc pas en employer beaucoup.

Le président: Est-ce qu'on fait des efforts ou envisage-t-on de prendre des initiatives, si on ne l'a pas encore fait, pour former, conjointement avec le gouvernement, des jeunes Indiens pour le travail sismologique, pour le travail de forage, ou pour le travail au puits? Est-ce que cela a été fait dans le passé? Sinon, envisage-t-on de le faire à l'heure actuelle?

M. Walton: La seule réponse que je puisse vous donner, c'est qu'on les utilise dans la mesure où ils peuvent être formés.

Le président: Mais vous n'avez pas de programme spécial à l'heure actuelle?

M. Walton: Non, pas que je sache.

M. Cullen: Je propose qu'on lève la séance. Nous avons cinquante minutes pour déjeuner.

Le président: Nous avons des experts parmi nous, profitons-en. Si le gouvernement allait collaborer avec l'industrie pétrolière, et subventionnait même un programme où des travailleurs indiens stagiaires pourraient travailler avec vos équipes de forage, ou vos travaux à la tête des puits, ou avec vos équipes sismologiques, pour apprendre le métier, croyez-vous que l'on puisse envisager une opération de ce genre? Et peut-être que leur salaire serait subventionné pour une certaine période de formation, avec la collaboration acquise et conjointe de l'industrie pétrolière, en vue d'absorber ces gens dans notre économie du Grand Nord et de l'Ouest.

[*Text*]

Mr. Walton: I think, Mr. Chairman, you will find that the industry has been more than anxious to train. At the present time we have a group in the CPA who train gas line operators, seismic people, drilling people, and they give this training to people who are available. There is no discrimination as to who will be trained if they are trainable and can be brought into the stream of personnel. Your suggestion of subsidization is just one other incentive to which I am sure we would have no objection.

The Chairman: I think that we members of this Committee have come to the conclusion that it is not just good enough to allow things to occur in the natural course of events, with young Indian men applying and perhaps being accepted and being treated in exactly the same way as young men graduating from some of the vocational schools in the West. It just does not seem to work out this way. It would seem from past experience that a special effort has to be made to absorb Indian workers into the economy. I would like to know whether there is any impediment at the moment caused, for example, by restrictions of some labour unions. Do you find this a problem?

Mr. Walton: No, there is no problem.

The Chairman: There is no attempt by any labour union, for example, that might have its hiring office in southern Alberta to hire people from that area to the exclusion of people living in the northern part of the province.

Mr. Walton: I do not think so.

Mr. Lewis: In the exploration production stage there are not any unions.

The Chairman: Therefore, this if in the Northwest Territories we want to see a much higher percentage of Indian people working in this developing industry then it is not a problem involving some labour union headquarters in Vancouver or in southern Alberta but simply between the industry, the government and the Indian people themselves.

Mr. Walton: That is right.

The Chairman: If there are no further questions from other members of the Committee I would just like to make one remark. We will be watching with interest the percentage and numbers of Indian people working in your industry. You can expect to be called back if there is not an improvement shown within the next year.

[*Interpretation*]

M. Walton: Monsieur le président, vous trouverez que l'industrie est plus que prête à former ces gens. A l'heure actuelle, nous avons un groupe, à la CPA, qui forme des opérateurs de gazoduc, des sismologues, des foreurs, et qui donne cette formation aux gens qui sont disponibles. Il n'y a pas de discrimination quand il s'agit de déterminer qui sera formé, si on peut tous les former et les intégrer au personnel. Votre proposition voulant qu'on les subventionne est très bonne et nous l'accepterions volontiers.

Le président: Je crois que les membres du Comité ont conclu qu'il ne suffit pas de permettre aux événements de se produire, d'attendre que les jeunes Indiens se présentent et soient acceptés de la même façon que les autres jeunes gens diplômés des écoles professionnelles de l'Ouest. Il semble, selon notre expérience, que cela ne se produit jamais, qu'il faut faire un effort spécial pour absorber les jeunes Indiens dans l'économie. Ce que je veux savoir, c'est s'il y a quelque chose qui empêche ceci, par exemple des restrictions imposées par certains syndicats. Est-ce que cela vous cause des problèmes?

M. Walton: Non, il n'y a pas de problèmes dans ce domaine.

Le président: Il n'y a pas de tentative de la part de syndicats, qui ont peut-être des bureaux de recrutement dans le sud de l'Alberta, d'embaucher des gens sur place à l'exclusion des gens qui demeurent dans le nord de la province?

M. Walton: Je ne le pense pas.

M. Lewis: Il n'y a pas de syndicats pour les métiers de forage?

Le président: Si, dans les Territoires du Nord-Ouest, nous voulons qu'un nombre accru d'Indiens travaillent dans cette industrie en voie de développement, ce n'est pas une question qui concerne les syndicats de Vancouver ou du sud de l'Alberta, mais un problème qui existe entre l'industrie, le gouvernement et les Indiens eux-mêmes.

M. Walton: C'est juste.

Le président: S'il n'y a pas d'autres questions, j'ai une dernière observation à faire. Nous allons surveiller avec intérêt le pourcentage et le nombre d'Indiens qui vont travailler dans votre industrie. Vous pouvez vous attendre à comparaître de nouveau si nous ne voyons pas d'amélioration dans l'année qui vient.

[*Texte*]

Mr. Thomson (Battleford-Kindersley): May I make a comment, Mr. Chairman. I do not think you gentlemen should feel badly about his suggestion that you better do something in this line because he tells everybody else the same thing.

The Chairman: Thank you very much, gentlemen.

Mr. Lewis: We appreciate the opportunity. Thank you very much.

The Chairman: The meeting is adjourned.

[*Interprétation*]

M. Thomson (Battleford-Kindersley): Monsieur le président, puis-je faire une observation. Messieurs, ne vous attristez pas de ce qu'on propose d'améliorer cette situation parce qu'on a fait la même suggestion à tous les autres.

Le président: Merci messieurs.

M. Lewis: Je vous remercie beaucoup.

Le président: La séance est levée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Government
Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman

IAN WATSON *Président*

LIBRARY
JUN 1 1969
UNIVERSITY OF TORONTO

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 21

FRIDAY, MAY 9, 1969

LE VENDREDI 9 MAI 1969

Respecting

BILL S-29

Oil and Gas production and Conservation Act.

Concernant

BILL S-29

Loi sur la production et la conservation du pétrole et du gaz.

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*)

(*Voir Procès-verbaux*)

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs.
et Messieurs

Badanai
[1] Borrie
Cullen
Deakon
Dinsdale
Hymmen
Gundlock
Hogarth,
Laprise
Marchand (*Kamloops-Cariboo*)
Nielsen
[2] O'Connell
Orange
Orlikow
Simpson
Southam
Thomson (*Battleford Kindersley*)
Yewchuk—(20)

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(*b*)

[1] Replaced Mr. Buchanan May 9, 1969.
[2] Replaced Mr. Duquet May 9, 1969.

Conformément à l'article 65(4)(*b*) du Règlement

[1] Remplace M. Buchanan le 9 mai 1969.
[2] Remplace M. Duquet le 9 mai 1969.

CORRIGENDUM

(*French Evidence only*)
(*Témoignages français seulement*)

Issue No. 13—Thursday, March 13, 1969.

Fascicule n° 13—Le jeudi 13 mars 1969.
A la page 418, la ligne 2 devrait se lire:
«.....les essais à *Churchill.*»

MINUTES OF PROCEEDINGS

[*Text*]

FRIDAY, May 9, 1969.
(22)

The Standing Committee on Indian Affairs and Northern Development met this day at 10.00 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Buchanan, Cullen, Deakon, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Orange, Southam, Watson, Yewchuk—(13).

Witnesses: Dr. P. M. Ollivier, Parliamentary Counsel; *From the Department of Indian Affairs and Northern Development:* Mr. A. D. Hunt, Director, Northern Economic Development Branch; and Dr. H. Woodward, Chief, Oil & Gas Division, Development Branch.

The Committee resumed consideration of Bill S-29, An Act respecting the production and conservation of oil and gas in the Yukon Territory and Northwest Territories.

On Clause 1

The Chairman read a letter from Mr. R. J. Abercrombie, Manager of the Independent Petroleum Association of Canada, dated May 1, 1969, and addressed to the Clerk of the Committee, as follows:

Dear Mr. Kirby:

This will confirm my statement reflecting the views of the Independent Petroleum Association of Canada with respect to the opportunity which was granted us to appear before this Standing Committee. Specifically, this Association has reviewed in detail a matter now before the Standing Committee, namely, the proposed Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories.

PROCÈS-VERBAL

[*Traduction*]

Le VENDREDI 9 mai 1969.
(22)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 10 h., sous la présidence de M. Watson, président.

Présents: MM. Badanai, Buchanan, Cullen, Deakon, Dinsdale, Gundlock, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Orange, Southam, Watson, Yewchuk—(13).

Témoins: M. P. M. Ollivier, conseiller parlementaire. *Du ministère des Affaires indiennes et du Nord canadien:* M. A. D. Hunt, directeur, Direction de l'expansion économique du Nord; M. H. Woodward, chef de la Division du pétrole et du gaz, Direction du développement.

Le Comité reprend l'examen du Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest.

Sur l'article 1

Le président lit la lettre suivante de M. R. J. Abercrombie, directeur de l'*Independent Petroleum Association of Canada*, en date du 1er mai 1969, et adressée au secrétaire du Comité:

Monsieur,

La présente confirme la déclaration que j'ai faite, et qui exprime l'opinion de l'*Independent Petroleum Association of Canada*, relativement à l'occasion que l'on nous a donnée de comparaître devant votre Comité permanent. Plus précisément, l'Association a examiné en détail une question dont est actuellement saisi le Comité permanent, à savoir, le projet de loi relatif à la production et à la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest.

20208—1½

The conclusion reached by this Association is that the subject Act, in its proposed form, is acceptable and should be passed by this Committee. The only comments which we would be able to offer at this time on the subject, are of a very minor nature, and in our opinion, should not form part of any representation before this Parliamentary Committee.

May I express on behalf of the Association, our appreciation for this opportunity which was extended by your Chairman. May I also express the desire of this Association to be of assistance to this Standing Committee, whenever and wherever there is a need for expression of views on behalf of the sector of industry represented by this Association.

Yours very truly,
INDEPENDENT PETROLEUM
ASSOCIATION OF CANADA
R. J. Abercrombie,
Manager.

L'Association en est arrivée à la conclusion que le projet de loi, sous sa forme actuelle, est acceptable et devrait être adopté par le Comité. Les seules observations que nous pourrions faire pour le moment sont d'ordre mineur, et, à notre avis, ne devraient pas être inclues dans une déposition devant votre Comité parlementaire.

Permettez-moi de vous exprimer, au nom de l'Association, notre gratitude pour l'invitation de votre président. Je tiens aussi à vous faire part du désir de l'Association d'aider votre Comité permanent, au cas où il aurait besoin de l'opinion du secteur de l'industrie qu'elle représente.

Veuillez agréer, monsieur, l'assurance de ma considération distinguée.
R. J. Abercrombie,
Directeur,
INDEPENDENT PETROLEUM
ASSOCIATION OF CANADA.

The Chairman then introduced the witnesses and Clause 1 was allowed to stand.

On Clause 4

Mr. Orlikow moved that sub-clause (1) of Clause 4 be amended by deleting the words "not more than" after the words "five members" on line 22 of page 3 of the Bill.

After discussion the question being put, the amendment was negatived on the following division: YEAS 2; NAYS 8.

Sub-clause (1) of Clause 4 was carried.

Mr. Orlikow then moved that sub-clause 2 of Clause 4 be amended by deleting the word "member" and substituting therefor "one of the three members in the public service" in line 28 of page 3 of the Bill.

After discussion the question being put, the amendment was negatived on the following division: YEAS 2; NAYS 8.

Le président présente ensuite les témoins, et l'article 1 est réservé.

Sur l'article 4

M. Orlikow propose que le paragraphe (1) de l'article 4 soit modifié par le retranchement des mots «au plus», après les termes «dont trois», à la ligne 29 de la page 3 du Bill.

Après débat, la motion est mise aux voix, et l'amendement est rejeté par 8 voix contre 2.

Le paragraphe (1) de l'article 4 est adopté.

M. Orlikow propose ensuite que le paragraphe (2) de l'article 4 soit modifié par le retranchement des mots «d'eux», à la ligne 34 de la page 3 du Bill, et leur remplacement par les termes «des trois employés de la Fonction publique».

Après débat, la motion est mise aux voix, et l'amendement est rejeté par 8 voix contre 2.

Sub-clause (2) and (3) of Clause 4 were carried.

Clause 4 was carried.

On Clause 5

Mr. Cullen moved that the words "only such persons as" in lines 2 and 3 of sub-clause 1 of Clause 5 on page 4 of the Bill be deleted and the following substituted therefor: "at least two persons who".

After discussion the question being put, the amendment was adopted on the following division: YEAS 6; NAYS 4.

Sub-clause 1 of Clause 5 as amended was carried.

Sub-clause 2 of Clause 5 was carried.

Sub-clause 3 of Clause 5 was carried.

Mr. Orange moved that sub-clauses 4 and 5 of Clause 5 be renumbered 5 and 6 and that a new sub-clause 4 be inserted as follows on page 4 of the Bill: "The headquarters of the Committee together with the staff of the Committee as described in sub-clause 3 shall be located either in the Yukon Territory or the Northwest Territories."

After discussion the Chairman reserved his judgment as to whether the said amendment was in order or not.

Discussion continuing, on motion of Mr. Yewchuk at 11.20 a.m. the Committee adjourned to Tuesday, May 13, 1969.

Les paragraphes (2) et (3) de l'article 4 sont adoptés.

L'article 4 est adopté.

Sur l'article 5

M. Cullen propose que les lignes 1 et 2 du paragraphe (1) de l'article 5 du Bill, à la page 4, soient retranchées et remplacées par ce qui suit: «5. (1) Le gouverneur en conseil nomme au Comité au moins deux personnes qui lui».

Après débat, la motion est mise aux voix, et l'amendement est adopté par 6 voix contre 4.

Le paragraphe (1) modifié de l'article 5 est adopté.

Le paragraphe (2) de l'article 5 est adopté.

Le paragraphe (3) de l'article 5 est adopté.

M. Orange propose que les paragraphes (4) et (5) de l'article 5 soient renumérotés comme paragraphes (5) et (6), et que le paragraphe suivant soit inséré à la page 4 du Bill comme paragraphe (4): «Le bureau central du Comité, ainsi que le personnel du Comité tel que décrit au paragrahe (3), doivent se trouver soit dans le territoire du Yukon soit dans les territoires du Nord-Ouest.»

Après débat, le président réserve sa décision de recevoir ou non l'amendement.

Le débat se poursuivant, à 11 h. 20 du matin, sur la proposition de M. Yewchuk, le Comité s'ajourne jusqu'au mardi 13 mai 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Friday, May 9, 1969

• 0958

The Chairman: Gentlemen, I see a quorum. I wish to make an announcement of the business of the Committee for next week. On Tuesday, May 13, the Minister will appear and on Thursday, May 15, Yukon Electric Co. will be appearing.

I would like to read a letter which we received from the Independent Petroleum Association of Canada into the Evidence of the Committee. The letter is addressed to the Clerk of the Committee:

Dear Mr. Kirby:

This will confirm my statement respecting the views of the Independent Petroleum Association of Canada with respect to the opportunity which was granted us to appear before this Standing Committee. Specifically, this Association has reviewed in detail a matter now before the Standing Committee, namely, the proposed Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories.

The conclusion reached by this Association is that the subject Act, in its proposed form, is acceptable and should be passed by this Committee. The only comments which we would be able to offer at this time on the subject, are of a very minor nature, and in our opinion, should not form part of any representation before this Parliamentary Committee.

May I express on behalf of the Association, our appreciation for this opportunity which was extended by your Chairman. May I also express the desire of this Association to be of assistance to this Standing Committee, whenever and wherever there is a need for expression of views on behalf of the sector of industry represented by this Association.

Yours very truly,

INDEPENDENT PETROLEUM
ASSOCIATION OF CANADA
R. J. Abercrombie,
Manager.

TÉMOIGNAGES

(Enregistrement électronique)

Le vendredi 9 mai 1969

Le président: Messieurs, nous avons le quorum. Je voudrais annoncer le travail du Comité pour la semaine prochaine. Le mardi 13 mai, le ministre témoignera et le jeudi 15 mai, ce sera la *Yukon Electric Co.*

J'aimerais lire une lettre que nous avons reçue de la *Independent Petroleum Association of Canada* afin qu'elle soit portée au procès-verbal du Comité. La lettre est adressée au secrétaire du Comité.

Monsieur Kirby,

La présente confirme la déclaration que j'ai faite, et qui exprime l'opinion de l'*Independent Petroleum Association of Canada,* relativement à l'occasion que l'on nous a donnée de comparaître devant votre Comité permanent. Plus précisément, l'Association a examiné en détail une question dont est actuellement saisi le Comité permanent, à savoir, le projet de loi relatif à la production et à la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest.

L'Association en est arrivée à la conclusion que le projet de loi, sous sa forme actuelle, est acceptable et devrait être adopté par le Comité. Les seules observations que nous pourrions faire pour le moment sont d'ordre mineur, et, à notre avis, ne devraient pas être incluses dans une déposition devant votre Comité parlementaire.

Permettez-moi de vous exprimer, au nom de l'Association, notre gratitude pour l'invitation de votre président. Je tiens aussi à vous faire part du désir de l'Association d'aider votre Comité permanent, au cas où il aurait besoin de l'opinion du secteur de l'industrie qu'elle représente.

Veuillez agréer, monsieur, l'assurance de ma considération distinguée.

R. J. Abercrombie,
Directeur,
INDEPENDENT PETROLEUM
ASSOCIATION OF CANADA.

[*Text*]

We are now on Clause 1 of Bill S-29, an Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories.

• 1000

The witnesses who are with us this morning are Dr. Maurice Ollivier, Parliamentary Counsel; from the Department of Indian Affairs and Northern Development, Mr. A. D. Hunt, Director, Northern Economic Development Branch; Dr. H. Woodward, Chief, Oil & Gas Division, Development Branch; Mr. T. Trudeau, Administration Employee Liaison Officer, Northern Economic Development Branch, whose presence here this morning, I believe, was engendered by some questions we asked of the industry on the matter of Indian and Eskimo employment by the oil industry at the last meeting.

For the benefit of those who were not present at the last meeting, all clauses of the Bill were passed with the exception of Clauses 1, 4, 5, 6, and 13. We will now proceed to Clause 4.

On clause 4—Establishment of Oil and Gas Committee.

The Chairman: Are there any amendments to Clause 4?

Mr. Orlikow: Mr. Chairman, my colleague, Mr. Thomson, who is not able to be here because of the strike, had drafted an amendment which I think he discussed here. I would like to move:

> That subclause (1), of clause 4, be amended by deleting the words "not more than" after the words "five members".

The Chairman: The phrase "not more than", those three words are eliminated.

Mr. Orlikow: Yes. In other words, he is proposing, Mr. Chairman, that there be an oil and gas committee consisting of five members but that three of these members shall be employees in the public service; not more than, but not less than either.

An hon. Member: You want three members?

Mr. Orlikow: As I read the clause as it is now drafted it says that the Committee shall consist of five members, not more than three shall be employees but it could be less than three, too. We are proposing that three of them should be members of the public service.

[*Interpretation*]

Nous sommes en train d'étudier l'article 1 du projet de loi S-29.

Les témoins de ce matin sont M. Maurice Ollivier, conseiller parlementaire; du ministère des Affaires indiennes et du Nord canadien, M. A. D. Hunt, directeur, Direction de l'expansion économique du Nord, et M. H. Woodward, chef, de la Division du pétrole et du gaz, Direction du développement. Nous avons aussi M. Trudeau, agent de liaison du personnel dans l'administration, de la Direction du développement (expansion économique). Nous avons posé certaines questions à l'industrie sur l'emploi des Esquimaux et des Indiens dans ces entreprises au cours de la dernière réunion, et c'est pourquoi M. Trudeau est ici.

A la dernière réunion, pour ceux des députés qui n'étaient pas présents, tous les articles du projet de Loi ont été adoptés, à l'exception des articles 1, 4, 5, 6 et 13. Nous allons maintenant étudier l'article 4.

L'article 4 concerne l'établissement d'un comité du pétrole et du gaz.

Le président: Y a-t-il des amendements proposés à l'article 4?

M. Orlikow: Monsieur le président, mon collègue, M. Thomson a dû s'absenter à cause de la grève. Il avait rédigé un projet d'amendement qu'il a débattu ici je crois. Je voudrais proposer que le paragraphe I de l'article 4 soit amendé en rayant les mots «not more than» après les mots «five members».

Le président: Alors, on supprimerait les mots «not more than», pas plus de, ces trois mots seraient supprimés.

M. Orlikow: Oui. Autrement dit, monsieur le président, ce qu'il propose c'est qu'il y ait un comité du pétrole et du gaz composé de 5 membres, et 3 d'entre eux seraient des employés de la Fonction publique, mais pas moins dans les deux cas.

Une voix: Vous voulez trois membres.

M. Orlikow: L'article, tel que je l'ai lu dans sa forme présente, dit que le Comité comprendra cinq membres; pas plus que trois d'entre eux seront des employés mais leur nombre pourrait être inférieur à trois. Nous proposons que trois de ces personnes devraient appartenir à la Fonction publique.

[*Texte*]

An hon. Member: What is the advantage of that?

Mr. Orlikow: Well, this is a committee representing the government and the department and we would like to have government represented. I am sure that the industry has other ways of making its views known to the government and to the department without having representatives on any committee.

The Chairman: I am informed by the Parliamentary Counsel that this amendment is in order.

Dr. P. M. Ollivier (Parliamentary Counsel): It does not change the number of employees. It does not cost any more and it might cost less, I would imagine.

The Chairman: Do any other members of the Committee have comments on this amendment? I will ask for a comment on the amendment, if it is acceptable to the committee, from our witness from the Department, Mr. Hunt. Do you have any objections to this amendment, Mr. Hunt?

Mr. A. D. Hunt (Director, Northern Economic Development Branch (Economic Development), Department of Indian Affairs and Northern Development): No, Mr. Chairman. The original phrasing, "not more than three members", was, I think, put in following our

• 1005

discussions with the industry because industry had pointed out that there might be occasions when it would seem practicable because of particular talents available or otherwise that three members, shall we say, from the public, which might, of course, be the industry, would be preferable and two from the public service. However, I think if it is thought preferable to specify by the Committee that there should be three members from the public service and never less, that would be acceptable.

The Chairman: Thank you Mr. Hunt. Are there any comments from the Committee? Could you forward a copy in writing to the Chair, Mr. Orlikow?

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I just want to make one short comment here. I do not think I will vote for the amendment. I think the flexibility that the present phrasing gives is very good; it has a lot of merit. I think it gives the Governor in Council some flexibility in perhaps getting talent that is not in the public service. I think if we went along with the proposed

[*Interprétation*]

Une voix: Quel en est l'avantage?

M. Orlikow: Bien, c'est un comité qui représente le gouvernement et le ministère et nous voudrions que le gouvernement y soit représenté. Je suis certain que l'industrie a d'autres façons de faire connaître ses vues au gouvernement et au ministère sans que ses représentants n'aient à faire partie d'aucun comité.

Le président: Le légiste et conseiller parlementaire m'informe que cet amendement est dans les règles.

M. P. M. Olivier (conseiller parlementaire): Cela ne change pas le nombre des employés. Le coût n'est pas plus élevé et il sera peut-être moindre, à mon sens.

Le président: Est-ce que d'autres membres du Comité ont des commentaires à faire au sujet de cet amendement? Je vais demander au témoin du ministère, M. Hunt, de faire des commentaires sur cet amendement, si les députés le permettent. Avez-vous des objections à cet amendement monsieur Hunt?

M. A. O. Hunt (directeur, Direction de l'expansion économique du nord, ministère des Affaires indiennes et du Nord canadien): Non monsieur le président. L'énoncé original, «pas plus de trois membres» avait été inséré, je crois, après nos délibérations avec l'industrie vu que ses membres nous avaient signalé qu'il pourrait se présenter des cas où cette disposition s'avérerait utile en raison des compétences disponibles ou par ailleurs que trois membres choisis dans le public, disons, lesquels naturellement pourraient appartenir à l'industrie, seraient préférables, ainsi que deux membres de la Fonction publique. Je crois cependant que si le Comité juge préférable de spécifier qu'il devrait y avoir trois membres de la Fonction publique et jamais moins, la chose serait acceptable.

Le président: Merci, monsieur Hunt. Est-ce que les membres du Comité ont des commentaires? Voulez-vous donner une copie écrite au président, monsieur Orlikow?

M. Marchand (Kamloops-Cariboo): Je voudrais faire un court commentaire ici. Je ne crois pas que je voterai en faveur de l'amendement. Je pense que la souplesse du texte actuel est excellente. Je pense que le gouverneur en conseil a une certaine latitude et cela nous permettrait d'obtenir des compétences qui ne se trouvent pas dans la Fonction publique. Je crois que si nous approuvions l'amen-

[*Text*]

amendment it would tie the Governor in Council down just a little too tightly. For instance, someone might retire from industry or say, from the National Energy Board, as Mr. Orange just mentioned, and I think perhaps these people could make real contributions. However, if we went along with the proposed amendment and tied the Governor in Council down to three people who are in the public service I do not think this would be a good thing.

The Chairman: Thank you, Mr. Marchand. Are there any other comments from the members of the Committee?

Mr. O'Connell: Mr. Chairman, I am inclined to agree always with the view that flexibility in the appointment procedure is much to be desired as conditions change and opportunities for appointments change. I think, in fact, I would prefer to see, "at least three of whom shall be members of the public service, is preferable to "only three of whom shall be".

The fixed number, I think, is always a hazard that you face and I agree with Mr. Marchand on that.

I am rather divided in my view because I would prefer the higher number that then lower number from the public service, yet I think overriding that would be in my mind, the desirability of maintaining flexibility here. Perhaps when other amendments are being proposed with respect to the appointment procedure we will see that principle at work, certainly in Clause 5 (1) it is going to be proposed too.

The Chairman: Are there any further comments from the members of the Committee? If not, I will read the amendment by Mr. David Orlikow:

> that subclause (1), of Clause 4 be amended by deleting the words, "not more than" after the words "five members".

Amendment negatived.

Clause 4(1) agreed to.

Mr. Orlikow: I have an amendment to Clause 4 (2), Mr. Chairman. I move:

> that subclause (2), of Clause 4 be amended by deleting the word "member" and substituting therefor "one of the three members in the public service".

• 1010

That is in line 28. The purpose of that, Mr. Chairman, of course, is to ensure that the

[*Interpretation*]

dement proposé cela limiterait le gouverneur en conseil à un cadre un peu trop restreint. Par exemple quelqu'un pourrait se retirer de l'industrie ou, disons, du Conseil national de l'énergie, comme M. Orange vient de le mentionner, et peut-être que ces gens-là pourraient apporter une excellente contribution. Toutefois, si nous approuvions cet amendement restreignant le gouverneur en conseil au choix de trois membres de la Fonction publique, je ne crois pas que ce serait une bonne chose.

Le président: Merci monsieur Marchand. Est-ce que les autres membres du Comité ont des observations à faire?

M. O'Connell: Monsieur le président, je suis toujours porté à croire que la souplesse est une chose très souhaitable dans les méthodes de nomination vu que les conditions changent et que les occasions d'emploi changent aussi. Je crois, en fait, que j'aimerais mieux voir: «Trois d'entre eux au moins seront des membres de la Fonction publique» que: «seulement trois d'entre eux seront». Un nombre fixe présente toujours un danger et je suis d'accord avec M. Marchand sur ce point.

Naturellement, j'ai des opinions mitigées parce que je préférerais que le grand nombre plutôt que le petit nombre appartienne à la Fonction publique; mais, ce qui serait plus important encore, à mon avis, ce serait de conserver une certaine souplesse. Il se peut que lorsque d'autres amendements seront proposés en ce qui a trait au mode de nomination, on pourra voir ce principe en application; il est certain qu'il sera également proposé au paragraphe (1) de l'article 14.

Le président: Les membres du Comité ont-ils d'autres commentaires à ajouter? Sinon, je vais lire l'amendement présenté par M. David Orlikow:

> que le paragraphe (1) de l'article 4 soit modifié, par la suppression des mots «pas plus de» après les mots «cinq membres».

L'amendement est rejeté.

Le paragraphe (1) de l'article 4 est approuvé.

M. Orlikow: Monsieur le président, j'ai un amendement, paragraphe (2) de l'article 4. Je propose que le paragraphe (2) de l'article 4 soit amendé en retranchant le mot «membre» en le remplaçant par: «un des trois membres appartenant à la Fonction publique». C'est à

la ligne 28. La raison de cela, Monsieur le président, c'est naturellement de s'assurer

[*Texte*]

Chairman of the Committee shall be one of the members from the public service.

The Chairman: I will read to members of the Committee the amendment proposed by Mr. Orlikow again:

> That subclause (2), of Clause 4 be amended by deleting the word "member" and sustituting therefor "one of the three members in the public service".

Simply for the benefit of the Committee, I will read the subsection as amended:

> (2) The members of the Committee shall be appointed by the Governor in Council to hold office for a term of three years, and one of the three members in the Public Service shall be designated as chairman for such term as may be fixed by the Governor in Council.

Have any members of the Committee any comments?

Mr. Dinsdale: Yes, Mr. Chairman. Looking at the import of the amendment it is my immediate response that it would be much better to leave the subclause as it is at the moment. The members of the committee could then appoint the one whom they feel is best qualified carry out this important function.

I say this because there is a strong feeling in the North that the hand of bureaucracy is heavy. It might well be that someone from the Public Service is the most qualified, but I think it would be much better to let the members of the committee make that designation rather than to prescribe it in the formal terms of the legislation.

During the discussions of the past two days I think it has been demonstrated to members of the Committee that the industry has worked very closely with the government, and *vice versa*, in drawing up a set of regulations for the production and the conservation of oil and gas in the Yukon and the Northwest Territories.

It has been my experience that this has been a very happy relationship over the years. It is the industry, as a matter of fact, that has always pushed the government, if I may use an air force term, to "get cracking" in the North and to develop the oil and gas resources that we know are there in abundance.

Therefore, in the interests of continuing this happy relationship,—there has been a very cordial rapport established between the two groups—I think we should leave it in its

[*Interprétation*]

que le président du Comité soit l'un des membres appartenant à la Fonction publique.

Le président: Je vais lire encore une fois aux membres du Comité l'amendement proposé par M. Orlikow:

> que le paragraphe 2 de l'article 4 soit modifié par la suppression du mot «membre» auquel on substituera «l'un des trois membres appartenant à la Fonction publique».

A l'intention des membres du Comité, je vais donner lecture du paragraphe, tel que modifié:

> (2) Les membres du Comité sont nommés pour un mandat de trois ans par le gouverneur en conseil; l'un des trois employés de la Fonction publique est désigné comme président pour la durée que peut fixer le gouverneur en conseil.

Les membres du Comité ont-ils des commentaires à ajouter?

M. Dinsdale: Oui monsieur le président. Je regarde l'amendement et ma réaction immédiate est qu'il serait de beaucoup préférable de laisser le paragraphe tel qu'il est. Les membres du Comité pourraient nommer quiconque, d'après eux, sera le mieux qualifié pour exercer ces fonctions importantes.

Je le dis parce que, dans le Nord, on trouve que là même la bureaucratie est très lourde. Il est possible que quelqu'un de la Fonction publique soit mieux qualifié. Toutefois, je pense qu'il serait préférable de laisser les membres du Comité prendre la décision, au lieu de désigner par voie législative qui sera le président.

Au cours des discussions des deux derniers jours, je pense que les membres du Comité ont clairement vu que l'industrie travaillait en rapport très étroit avec le gouvernement, et réciproquement, et en élaborant ce système de règlements pour la production et la conservation du pétrole et du gaz dans le Yukon et les Territoires du Nord-Ouest.

J'ai appris que ces rapports ont toujours été excellents. En fait, c'est l'industrie qui a toujours poussé le gouvernement, si on peut me permettre d'utiliser un terme d'aviation, à «décoller» dans le Nord, et à mettre en valeur les ressources de pétrole et de gaz que nous avons là-bas en abondance. Afin que ces relations restent des plus heureuses, et que des rapports cordiaux existent entre les deux groupes, je crois que nous ne devrions pas y toucher et permettre aux membres désignés du Comité, de décider de la personne qui est

[*Text*]

original form and allow the designated members of the committee to decide who is the man best qualified to chair their proceedings.

Mr. Orange: Mr. Chairman, as the subclause now reads it states:

> ...one...shall be designated as chairman for such term as may be fixed by the Governor in Council.

Who is to designate the member as chairman.

Dr. Ollivier: It is my understanding that it would be the Governor in Council. If you are suggesting that he is chosen by the committee, I do not think he is. I think the Governor in Council appoints the members and designates them. At least, that is my reading of it.

Mr. Orange: This is your interpretation, Dr. Ollivier, is it?

• 1015

Mr. Cullen: Mr. Chairman, that would also be my interpretation. If the intention was that the committee members would choose the chairman the word "elect" would have been used. It is certainly ambiguous as it is now, but my feeling is that if he were designated it would be more or less a government appointment, whereas if he were elected it would be by the members. I agree with what Mr. Dinsdale says. Frankly, I prefer that approach, because I think a committee should have the right to decide who is going to be chairman at its deliberations.

Mr. Yewchuk: It might also be interpreted as the chairman having to be designated by the other members of the committee.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, perhaps I could ask the witness to clarify whether it was the intent that he should be designated by the Governor in Council?

Dr. Ollivier: That would be my interpretation, because the only person who is mentioned as making the appointment, and fixing the term for which it will last is the Governor in Council. Of course, you could imagine his being designated by his colleagues on the committee, but it is not clear. That is as I read it.

Mr. Marchand (Kamloops-Cariboo): It is a matter of interpretation, and it is ambiguous. May I ask Mr. Hunt?

The Chairman: Mr. Hunt?

[*Interpretation*]

la plus compétente pour présider les délibérations.

M. Orange: Monsieur le président, dans le moment, le texte dit:

> ...l'un deux est désigné comme président pour la durée que peut fixer le gouverneur en conseil.

Qui doit désigner le président?

M. Ollivier: Si j'ai bien compris, ce serait le Gouverneur en conseil. Si vous voulez dire qu'il est choisi par le Comité, je ne crois pas. Je crois que c'est le Gouverneur en conseil qui nomme les membres et les désigne. C'est du moins ma façon de penser.

M. Orange: C'est ainsi que vous voyez les choses, monsieur Ollivier?

M. Cullen: Monsieur le président, c'est aussi ce que je pense. Si on avait voulu que ce soit les membres du Comité qui choisissent le président le terme «choisir» aurait été utilisé. C'est certainement ambigu dans le moment.

Lorsque quelqu'un est désigné je crois que c'est le gouvernement qui le nomme. Autrement s'il était nommé il serait clair que ce serait par les membres. Je suis d'accord avec M. Dinsdale. Je partage tout à fait son point de vue, parce que je pense que le Comité devrait avoir le droit de décider qui va siéger comme président, lors des délibérations.

M. Yewchuk: On peut aussi l'interpréter ainsi: le président doit être désigné par les autres membres du Comité.

M. Marchand (Kamloops-Cariboo): Monsieur le président, le témoin pourrait peut-être nous préciser ce point. Devrait-il être nommé par le gouverneur en conseil?

M. Ollivier: Ce serait ma façon de penser car la seule personne mentionnée pour faire les nominations et fixer les conditions ainsi que la durée du mandat est le gouverneur en conseil. Bien sûr, les membres peuvent être nommés par leurs collègues du Comité, mais à mon avis ce n'est pas clair.

M. Marchand (Kamloops-Cariboo): C'est une question d'interprétation mais c'est assez obscur. Puis-je demander à M. Hunt...

Le président: Monsieur Hunt?

[*Texte*]

Mr. Hunt: Frankly, I would have to agree. I think it is a little ambiguous now that it is drawn to our attention. I think the intent when the Department of Justice was drafting it was that the chairman should be designated by the Governor in Council.

Dr. Ollivier: If he is designated by the Committee he is to a certain extent being designated by himself.

Mr. Orange: Mr. Chairman, if what Mr. Hunt says is the intention of the legislation perhaps we should take a look at subclause (2) in two ways: one, to clarify this particular aspect, and the other to take into account the proposed amendment.

The Chairman: That is why we are here. I think it is a good idea, Mr. Orange.

Dr. Ollivier: If you want it done by the committee, it is easy. You just have to add "by the Committee" after the word "designated".

Mr. Marchand (Kamloops-Cariboo): Or "elected by the Committee."

Dr. Ollivier: The fact that he is designated is the reason for my thinking that it is the Governor in Council. Because if the committee chooses him they select him; they vote him into power, as chairman.

Mr. Hunt: Mr. Chairman, perhaps I might amplify it a little further. When I said that it was my impression that it was the intent that the chairman should be designated by the Governor in Council, I think it was felt, from experience with the Alberta Oil and Gas Conservation board, in particular, or perhaps with the National Energy Board, that the general focus is on the chairman and that from the public's point of view, and perhaps that of the industry, the chairman is in many respects the key figure. Therefore, it was felt that it might be preferable for the Governor in Council to have the opportunity to select who this key figure should be. And, as Mr. Dinsdale has suggested, there might at one time be a preference for selecting the key figure on the committee from northern residents, or, at another time, for selecting the key figure from somewhere else. That is now my recollection of what led to this clause.

The Chairman: It would seem to me, gentlemen, that clarification of this point is necessary before we can discuss Mr. Orlikow's amendment. In effect, Mr. Orlikow's amendment would not be necessary if the chairman is designated by the Governor in Council.

[*Interprétation*]

M. Hunt: En effet, je reconnais que c'est un peu ambigu. Je pense que lorsque le Bill a été rédigé par le ministère de la Justice on a songé à ce que le président soit nommé par le gouverneur en conseil.

M. Ollivier: S'il est nommé par le Comité il est en fait nommé par lui-même dans une certaine mesure.

M. Orange: Monsieur le président, je me demande si, comme M. Hunt le dit, nous ne devrions pas considérer le paragraphe (2) de deux façons. Premièrement, éclaircir ce point en particulier, deuxièmement, tenir compte de l'amendement proposé.

Le président: Je pense que c'est une bonne idée, monsieur Orange. Nous sommes ici pour cela.

M. Ollivier: C'est facile, après le mot «nommé» il n'y a qu'à ajouter les mots «pour le Comité».

M. Marchand (Kamloops-Cariboo): Ou, «élu par le Comité».

M. Ollivier: Je pense que si l'on parle de nomination, il s'agit du gouverneur en conseil. Si le Comité le choisit, c'est le Comité qui l'élit et le nomme président, aux voix.

M. Hunt: Monsieur le président, je pourrais peut-être ajouter autre chose. Lorsque j'ai dit que le président devait être nommé par le gouverneur en conseil, on a cru que je voulais insister sur l'importance attachée par l'Office de conservation du gaz et du pétrole de l'Alberta, et peut-être par l'Office national de l'énergie, au choix du président. A bien des égards, du point de vue de l'industrie et pour le public, c'est le président qui est le personnage clé. On a pensé qu'il serait préférable que le gouverneur en conseil puisse choisir ce personnage clé, et comme M. Dinsdale l'a dit, ce serait préférable de choisir ce personnage clé parmi les résidents du Nord. Une autre fois, il sera peut-être mieux de le choisir ailleurs. C'est donc, à mon avis, ce qui nous a amenés à rédiger cet article.

Le président: Il serait nécessaire, selon moi, d'étudier ce point avant qu'on discute l'amendement de M. Orlikow. Dans ce cas, son amendement ne sera pas nécessaire si le président est nommé par le gouverneur en conseil.

[*Text*]

Mr. Orlikow: Mr. Chairman, I do not agree with that at all.

I want to deal with the point Mr. Dinsdale made. I am not saying this to be in any sense hostile to the industry, but surely we know enough now, Mr. Chairman, to know that the interests of industry, whether it be in the matter of production, or the distribution of quotas, or in the matter of pollution—pollution is a good example right now in light of what is happening in Newfoundland—are not necessarily the interests of the general public.

In this Act we are setting up a committee which will have a great deal of influence, will be expressing its views on the most important matters which affect the whole north country, and it seems to me that we ought as a matter of public policy to say that the chairman of this very important committee shall be a public servant whose first interest and first concern shall be the public as a whole.

I am not being critical of the industry. If I were an officer of industry or of a particular company, my first concern would be the maximizing of the profit of that company. It does not mean that they are not interested in these other questions but we have had enough experience in the past with oil, gas, lumber and paper to know that this is a fact. It seems to me that as a matter of public policy a committee such as this, which will be dealing with the most vital problems, should be chaired by a public servant.

Dr. Ollivier: Mr. Chairman, may I add a word. To confirm the opinion I gave, that the appointment is made by the Governor in Council, may I read subclause (3) which says that:

> (3) A retiring chairman or retiring member may be re-appointed to the Committee in the same or other capacity.

It follows then that the chairman can be re-appointed. The appointments are made by the Governor in Council—he is the one who made the appointment in the first place. We should be logical between subclause (2) and subclause (3).

The Chairman: Mr. Deakon.

Mr. Deakon: Mr. Chairman, I do not want to belabour the point but I was just going to enunciate further what the Doctor has mentioned here. I do not really see any ambiguity here at all because in subclause 2 of that particular section every reference to appointments made is to the Governor in Council. You will notice, if you read it in its entirety, that the committee members are set up by

[*Interpretation*]

M. Orlikow: Monsieur le président, je ne suis pas du tout d'accord.

Et je veux revenir sur ce que M. Dinsdale a dit. Je ne pense pas être hostile aux intérêts de l'industrie en aucune manière, mais nous en savons assez maintenant, monsieur le président, pour savoir que les intérêts de l'industrie, que ce soit dans le domaine de la production ou de la distribution ou encore dans le domaine de la pollution, pour vo r, à la lumière de ce qui se passe à Terre-Neuve, que la pollution est un excellent exemple que cela ne correspond pas nécessairement à l'intérêt du public en général.

En vertu de la Loi, nous mettons sur pied un comité qui aurait énormément d'influence, qui fera part de ses opinions sur des questions importantes qui intéressent tout le Grand Nord. Il me semble que dans l'intérêt public, nous devrions dire que le président de ce très important comité devrait être un fonctionnaire qui se préoccupera d'abord du public en général.

Je ne critique pas l'industrie. Si j'étais directeur industriel ou d'une société privée, je songerais d'abord à accroître les bénéfices de la société. Je ne dis pas qu'ils ne s'intéressent pas à d'autres choses, mais l'expérience nous a prouvé que dans le domaine du pétrole, du gaz, du papier, du bois d'œuvre, etc., que c'est un fait. Il me semble que dans l'intérêt public, un comité de ce genre qui s'occupera des problèmes les plus importants devrait être présidé par un fonctionnaire.

M. Ollivier: Puis-je y ajouter quelques mots. Pour confirmer ce que je viens de dire, à savoir que la nomination soit faite par le gouverneur en conseil, puis-je lire le paragraphe (3) qui dit que:

> (3) Un président sortant ou un membre sortant peut être renommé au sein du Comité au même titre ou à un autre titre.

Il s'ensuit donc que le président peut être renommé, les nominations sont faites par le gouverneur en conseil, qui a aussi nommé le président la première fois. Les paragraphes (2) et (3) devraient avoir un lien logique.

Le président: Monsieur Deakon.

M. Deakon: Je ne veux pas m'attarder sur cette question mais je voulais revenir sur ce que monsieur Ollivier a dit. Je n'y vois aucune ambiguïté car dans le paragraphe (2) de cet article, toute référence à une nomination est portée au gouverneur en conseil. Vous remarquerez, si vous lisez tout l'article, que les membres du comité sont nommés par le gouverneur en conseil qui les nomme avec un

[*Texte*]

the Governor in Council, who sets them up apparently around a chairman or convener, whom he will appoint also. There is nothing mentioned of an election or anything else; it is just an appointment made by Governor in Council, and he does everything.

The Chairman: Thank you, Mr. Deakon. Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I was not going to speak on the interpretation question involved here because it is clear enough to me from what Doctor Ollivier has indicated. I am accepting that as the interpretation. However, I did want to speak on the amendment, if that is in order at the moment.

I want to support the amendment proposed by Mr. Orlikow. I think when one looks at the functions of this oil and gas committee in the making of inquiries, the hearing of appeals from the chief conservation officer, the kind of functions it is going to perform, it is essential that a public servant be the chairman of that committee and that the public interest is very clearly seen to in that appointment. I would not agree with Mr. Orlikow in one respect. I do not think that he would be an officer of a private company for very long if he took as his guiding principle the maximization of profit. I think that is a very old-fashioned way, if I may put it that way, of looking at the range of purposes of private industry.

• 1025

There are many, many objectives of private industry that are not incorporated into that concept. Rather than basing my view on that ground I would base it on more positive ground. I think Mr. Orlikow occupied that ground too. It is just inconceivable to me that the chairman of that committee would not be chosen from among public servants, and I trust that it was always the intention to do so.

The Chairman: Mr. Yewchuk.

Mr. Yewchuk: I want to speak to the amendment as well. First of all, because the chairman is appointed by the Governor in Council this means that the Governor in Council has complete control over who the chairman will be. It may be that from time to time it is a public servant but there may be other times when it is more convenient to have a non-public servant as the chairman. Clause 6 of this same bill indicates that

> No member of the Committee shall have a pecuniary interest of any description...

[*Interprétation*]

président qui est aussi nommé par celui-ci. On ne parle pas d'élection ou autre, ce n'est tout simplement qu'une nomination par le gouverneur en conseil et il fait tout.

Le président: Merci, monsieur Deakon. Monsieur O'Connell.

M. O'Connell: Je ne voulais pas parler de l'interprétation car cela m'apparaît très clair, à la lumière des commentaires de monsieur Ollivier. J'accepte cette interprétation. Je voudrais parler de l'amendement si c'est possible à l'heure actuelle. J'aimerais appuyer l'amendement proposé par monsieur Orlikow. Lorsqu'on étudie les fonctions du comité sur le pétrole et le gaz dans la tenue d'enquêtes, dans l'audience des appels par le directeur de la conservation, dans le genre de fonctions qu'il va remplir, il est essentiel qu'on nomme un fonctionnaire comme président du comité et que cette nomination soit faite dans l'intérêt public. Toutefois, je ne serais pas d'accord avec monsieur Orlikow sur un point. Je ne crois pas qu'il serait directeur d'une société privée très longtemps s'il prenait comme principe directeur l'augmentation des bénéfices de la compagnie. Cela me semble une vue démodée sur l'éventail des possibilités de l'industrie privée.

Il y a de très nombreux objectifs dans l'industrie privée qui ne sont pas englobés dans ce principe. Au lieu de me baser là-dessus, je préférerais plutôt m'appuyer sur des fondements plus constructifs. Je pense que monsieur Orlikow partage aussi mon avis là-dessus. Il m'est difficile de concevoir que le président de ce comité ne soit pas choisi parmi les fonctionnaires et je pense qu'on a toujours eu l'intention de le faire.

M. le président: Monsieur Yewchuk.

M. Yewchuk: Je veux aussi parler de l'amendement. D'abord, comme le président est nommé par le gouverneur en conseil, cela veut dire que le gouverneur en conseil aura tout contrôle sur cela quel que soit le président. Il se peut qu'à l'occasion ce soit un fonctionnaire et il se peut qu'à d'autres moments, il convienne de nommer quelqu'un d'autre à titre de président. L'article 6 dudit bill se lit ainsi:

> Aucun membre du Comité ne doit avoir, directement ou indirectement, d'intérêt pécuniaire quel qu'il soit afférent à la propriété de pétroles ou de gaz ...

[*Text*]

and so on which would, I think, be an argument against what Mr. Orlikow said with regard to this man being, firstly, committed to industry and, secondly, only to the committee. If one takes Clause 6 along with Subsection (2) of Clause 4 I do not think that amendment is really required, particularly since the chairman's appointment will be in complete control of the Governor in Council.

The Chairman: Are there any other comments, gentlemen, on Sub (2) of Clause 4.

Mr. Dinsdale: I would like to make a further comment on some of the other comments that have been made. In the North the Governor in Council has many, many powers. For example, he can designate the commissioners of the Yukon and the Northwest Territories. In the past these commissioners were always public servants. The practice today is to appoint non-public servants for the very reason that has already been indicated here. In the resource field this is a very strong and growing trend. The Northerners feel that they will achieve a greater degree of independence in determining their own destiny if the officials who have the power in administering the various aspects of life in the North are non-public servants. I do not have to belabour this point.

Members of the Committee have travelled into the North and have seen the effectiveness and the acceptance of the commissioners of the Yukon and the Northwest Territories, both of whom are non-public servants. I would think that the problem would be met adequately at this stage by leaving the Act as it is, with the interpretation that has been given to us by Dr. Ollivier. Ministers of Northern Affairs in recent years have exercised this authority very wisely and I am sure that trend will continue. If it is in the public interest—I speak of the national interest, not only the interest of Canada north of the 60th parallel—that it should be a public servant, I am sure the Governor in Council will so decide. If not, he has the authority to choose from the public service, if that is in the best interests of the North and Canada as a whole.

The Chairman: Are there any further comments.

Mr. Orange: Mr. Chairman, I want to support both what Mr. Yewchuk and Mr. Dinsdale have said. I think the department will be making the initial recommendation to the Minister and, in turn, to the Governor in Council. I think there could be circumstances where it might be desirable to appoint someone from outside the public service as chair-

[*Interpretation*]

qui constituerait un argument contre ce que monsieur Orlikow a dit au sujet de l'homme qui se consacre d'abord à l'industrie et ensuite au comité. Si on prend l'article 6 et le paragraphe (2) de l'article 4, je ne crois pas que l'amendement soit très nécessaire, surtout si la nomination du président dépend entièrement du gouverneur en conseil.

Le président: Avez-vous d'autres commentaires à apporter, messieurs, sur le paragraphe (2) de l'article 4.

M. Dinsdale: J'aimerais apporter un autre commentaire sur ce qui a été dit. Dans le Nord, le gouverneur en conseil a de nombreux pouvoirs. Par exemple, il peut nommer les commissaires du Yukon et des Territoires du Nord-Ouest. Dans le passé, les commissaires étaient toujours des fonctionnaires, à l'heure actuelle, on nomme des personnes qui ne font pas partie de la Fonction publique, pour la raison qui a déjà été indiquée. Dans le domaine des ressources, c'est une tendance de plus en plus marquée. Les gens du Nord pensent qu'ils seront plus indépendants en forgeant leur propre destin si les directeurs qui sont chargés de l'administration des divers aspects de la vie dans le Nord, ne sont pas des fonctionnaires. Je n'ai pas à m'attarder sur cette question.

Les membres du comité sont allés dans le Nord et ont vu l'efficacité et l'accueil des commissaires du Yukon et des Territoires du Nord-Ouest, qui ne sont pas fonctionnaires. Je pense qu'on répond bien au problème à cette étape en laissant la Loi intacte, accompagnée de l'interprétation qui nous en a été donnée par monsieur Ollivier. Les ministres des Affaires du Nord depuis quelques années a exercé son autorité avec une grande sagesse, je pense que cette tendance se poursuivra. Si dans l'intérêt public, je parle dans l'intérêt national et non seulement dans l'intérêt du Nord canadien du soixantième parallèle, il devrait être fonctionnaire, je suis sûr que le gouverneur en conseil décidera dans ce sens. Sinon, il est autorisé à choisir au sein de la Fonction publique s'il en va de l'intérêt du Grand Nord et du Canada tout entier.

Le président: Avez-vous d'autres commentaires, messieurs?

M. Orange: Je voulais appuyer ce que MM. Yewchuck et Dinsdale ont dit. A mon avis, le ministère soumettra ses recommandations au ministre qui les transmettra au gouverneur en conseil. Dans certains cas, il sera peut-être souhaitable de nommer un président qui ne soit pas fonctionnaire. Cela pourrait être rare, mais il faut qu'il y ait une certaine souplesse

[*Texte*]

man. I suspect this might be a rare occasion but I think that the flexibility should be there in the event, let us say, that the chairman of the National Energy Board, or some such person retired at age 60 was looking for something to do. I do not think you could get a better man to head up a board such as this.

• 1030

The Chairman: Thank you, Mr. Orange. Shall the amendment carry? All in favour? Opposed, if any?

I declare the amendment lost.

Clause 4 agreed to.

On Clause 5—Qualification of members

The Chairman: I believe Mr. Cullen had an amendment.

Mr. Cullen: Yes, Mr. Chairman, I have an amendment. When we talked to the members from the petroleum industry they agreed that this committee is going to be involved not only in the matter of expertise but also in a very wide area of public policy. To have all of the members of this board with specialized, expert or technical knowledge I do not feel is necessary, and those who were here at the last meeting know that the association agreed with that. So I have an amendment to move that the words "only such persons as" in lines 2 and 3 of subclause (1) of Clause 5 be deleted and the following substituted therefor: "at least two persons who".

This would give the industry the protection that they want and the expertise that they wish, and at the same time would protect the area of public policy.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, would you read it again in whole, please, as it would sound.

The Chairman: I will read the amendment, and then I will read it as amended.

The motion of Mr. Cullen is as follows.

> That the words "only such persons as" in lines 2 and 3 of subclause (1) of Clause 5 be deleted and the following substituted therefor "at least two persons who".

That would read as follows:

> The Governor in Council shall appoint as members of the Committee at least two persons who appear to the Governor in Council to have specialized expert or technical knowledge of oil and gas.

[*Interprétation*]

au cas où, par exemple, le président de la Commission de l'énergie atomique ou quelqu'un d'autre se retire à l'âge de 60 ans, et qui cherche quelque chose à faire. A mon avis, cet homme est tout indiqué.

Le président: Merci, monsieur Orange. La modification devrait-elle être adoptée? Tout le monde est d'accord? Quelqu'un s'y oppose.

La modification est rejetée.

L'article 4 est adopté.

L'article 5—Qualités requises des membres.

Le président: Je pense que M. Cullen a un amendement.

M. Cullen: Oui, monsieur le président, je voudrais proposer un amendement. Lorsque nous avons entendu les gens de l'industrie pétrolière, ils ont convenu que ce comité aurait, en plus de consulter des experts, à établir la politique à l'égard du publique, dans un vaste domaine. Je ne crois pas qu'il soit nécessaire que tous les membres de ce Comité soient des experts ou des techniciens, et ceux qui étaient présents à la dernière séance savent que l'association en a convenu. J'ai donc un amendement à proposer pour que l'on supprime, à la deuxième ligne du paragraphe (1) de l'article 5 l'expression «que les personnes», et qu'on la remplace par l'expression «au moins deux personnes».

Mon amendement permettrait d'accorder à l'industrie la protection et l'expert se qu'elle désire, et, au même moment, de protéger ce domaine d'intérêt public.

M. Marchand (Kamloops-Cariboo): Monsieur le président, voulez-vous relire le texte au complet, s'il vous plaît?

Le président: Oui. Je vais d'abord lire l'amendement et ensuite le texte modifié.

La motion de M. Cullen est la suivante:

> Que l'expression «ne nomme au Comité que les personnes» aux lignes 2 et 3 du paragraphe (1) de l'article 5 soit supprimée et remplacée par l'expression suivante: «nomme au comité au moins deux personnes».

Le texte modifié serait donc:

> «Le gouverneur en conseil nomme au Comité au moins deux personnes qui lui paraissent avoir des connaissances de spécialiste, d'expert ou de technicien en matière de pétrole et de gaz».

[*Text*]

Do you have any comment on this?

Mr. Badanai: I think it is a good amendment, Mr. Chairman.

Mr. Marchand (Kamloops-Cariboo): I agree with the amendment also, Mr. Chairman.

Mr. Cullen: The way the clause reads now, Mr. Yewchuk, all five members of the committee would have to come in essence from industry or would have to have this expert knowledge. On the Ontario Energy Board, which is a board with which I am familiar, they are involved in an area of expertise but also in an area of public policy. I think on that point the Chairman is a doctor of geology or something in that area, but they have people from all walks of life also sitting on that Energy Board to protect the public policy end of the thing.

When we discussed this at the last meeting with the members of the association they agreed that in their opinion they did not feel that they needed all five. They felt there should be somebody on there with expertise to talk about PSI wellhead pressure and things of this nature, who could explain that perhaps to a layman lawyer, a layman in the sense of not being an expert in that field. They felt it was an acceptable move and they had no objection to it at all.

The Chairman: For the benefit of all the members who were not here at the last meeting, as Mr. Cullen hs explained, the witnesses from industry who were here at the last meeting indicated that they had no objection to a change such as the one proposed by Mr. Cullen.

• 1035

Mr. Yewchuk: That is two out of five.

The Chairman: Two out of five, yes.

Mr. Yewchuk: We are assuming in this amendment that people who are experts in the oil and gas field do not have the public interest at heart. That is what you are suggesting.

Mr. Cullen: No, I am not suggesting that. I am suggesting that they might be slightly weighed in favour of the industry, but I think some of them have to be on this committee as experts *per se*. I do feel that there is an area such as, for example, whether or not we should grant a well; or whether or not we

[*Interpretation*]

Auriez-vous des observations ou commentaires à faire à ce sujet.

M. Badanai: Je crois que l'amendement est bien présenté, monsieur le président.

M. Marchand (Kamloops-Cariboo): J'appuie également l'amendement, monsieur le président.

M. Cullen: Selon le texte actuel, monsieur Yewchuk, il faudrait, au fond, que les cinq membres soient tirés de l'industrie ou possèdent des connaissances de spécialiste, d'expert ou de technicien. La Commission de l'énergie de l'Ontario, que je connais très bien, s'occupe à la fois de questions spécialisées et des intérêts du public. Le président est docteur en géologie, je pense, en quelque chose du genre, mais il y a aussi des gens de toutes les disciplines qui font partie de cette Commission afin de protéger les intérêts du public.

Lorsque nous avons discuté cette question à la dernière réunion avec les membres de l'Association, ils nous ont dit, qu'à leur avis, il n'était pas nécessaire d'avoir cinq membres qui soient des spécialistes. Ils étaient d'avis qu'il faudrait avoir au moins un spécialiste qui puisse discuter de la pression en livres par pouce carré en tête de puits, et de choses du genre, et les expliquer à des juristes profanes, profanes en ce sens qu'ils ne sont pas des experts en ce domaine. Ils ont trouvé que c'était une mesure acceptable et on n'avait pas la moindre objection.

Le président: A l'intention des députés qui n'étaient pas là lors de la dernière réunion, comme l'a dit M. Cullen, les témoins représentant l'industrie qui ont témoigné ce jour-là, ont dit qu'ils n'avaient pas la moindre objection à ce que l'on change le texte de la façon proposée par M. Cullen.

M. Yewchuk: C'est-à-dire, deux personnes sur cinq.

Le président: Oui, deux des cinq.

M. Yewchuk: Nous prenons pour acquis que les gens qui sont spécialistes en matière de pétrole et de gaz, n'ont pas à cœur les intérêts du public. C'est ce que vous laissez entendre.

M. Cullen: Ce n'est pas ce que je dis, je dis qu'ils penchent peut-être en faveur de l'industrie, mais je pense qu'il est nécessaire que certains fassent partie du Comité à titre d'experts, mais je pense qu'il y a des questions, comme, par exemple, de savoir s'il y a lieu d'autoriser ce forage d'un puits de pétrole, ou

[*Texte*]

should permit wells to be drilled in a particular area. From the expert's point of view, it may be fine; this is great and it will be a wonderful production and so on. But from the public policy standpoint the argument might be that we have considerable production only three miles away and it would have the effect in the over-all of destroying that aspect. I am saying the experts could not make that decision, but I do not think you have to be an expert in the field in order to make that decision.

Mr. Yewchuk: The reason I was saying this is that the committee will consist of a maximum of three public servants, and these would presumably consider the public interest at large to protect the public point of view.

The Chairman: I should point out to members of the Committee that the terminology of Mr. Cullen's amendment is "at least two".

Mr. Dinsdale: Mr. Chairman, I wonder if I might ask the experts why in the initial draft it was thought advisable to have experts? Is there any particular reason, in the light of the special circumstances of the North?

Mr. Hunt: Mr. Chairman, I think that there were two factors here, and perhaps I should mention that work on this bill went on over a period of I think five years, so that my memory of some of the discussions is going back rather a long way. But I think initially it was felt that actually the two public members, the members appointed from industry or from the public at large, should be classified as experts so that this would tend to ensure they came from the petroleum industry. That is my recollection of why this wording crept in. I think, though, we also were trying to ensure that in the structure of the committee there could be, in fact, a gradual evolution of the committee. It really is my recollection that perhaps we did not intend the whole committee to be experts. The way the wording has come out is a little more restrictive than I think the original discussions had in mind.

If the whole committee does not consist of experts, then one has gradual evolution. The way it has been left, that not more than three members of the committee must be public servants, one could see, say ten years down the line, that the committee would be appointed entirely from outside the public service, not necessarily of course wholly from industry, but it would then perhaps more approximate to other boards and committees.

[*Interprétation*]

encore s'il y a lieu d'autoriser le forage de puits dans une région donnée. Il n'y a peut-être pas de problèmes, du point de vue du spécialiste, la production sera bonne, et ainsi de suite. Mais sur le plan des intérêts du public, il se peut qu'il y ait déjà un puits en exploitation à une faible distance, et que, dans l'ensemble, un nouveau forage nuirait à la situation locale. Je ne dis pas qu'un expert ne serait pas en mesure de prendre une telle décision mais qu'il n'est pas nécessaire d'être un expert pour prendre une décision de ce genre.

M. Yewchuk: La raison pour laquelle j'ai dit cela est que de toute façon, il y aura trois fonctionnaires au maximum, et que ces personnes auront à cœur les intérêts du public en général.

Le président: Je dois rappeler aux députés que l'expression proposée par M. Cullen est «au moins deux personnes».

M. Dinsdale: Monsieur le président, je me demande si je pourrais demander aux experts pourquoi, dans le projet initial, ils ont jugé nécessaire d'avoir des experts. Est-ce qu'il y a une raison spéciale, à la lumière des circonstances particulières dans le Nord?

M. Hunt: Monsieur le président, il y a deux facteurs en cause ici. Je devrais peut-être mentionner que le travail de préparation de ce projet de loi a duré à peu près cinq ans et je dois creuser assez loin dans ma mémoire pour retrouver certaines discussions. Mais je crois qu'au départ, on a pensé que les deux représentants du secteur public, provenant de l'industrie ou du grand public devraient être considérés comme des experts, afin d'assurer qu'ils représentent en fait l'industrie pétrolière. Si je me rappelle bien, c'est pour cela que l'on a adopté cette expression. De plus, nous voulions également faire en sorte que la structure du Comité puisse évoluer graduellement. Je me souviens très bien que nous n'avions pas l'intention d'avoir un comité entièrement composé d'experts. Je pense que le nouveau texte est un peu plus restrictif que ce à quoi nous avions songé initialement.

Si le comité n'est pas composé uniquement d'experts, il peut y avoir une évolution graduelle. Selon la présente version, selon laquelle pas plus de trois membres seraient fonctionnaires, on peut voir que, dans dix ans, le comité serait composé uniquement de gens du secteur privé, pas nécessairement de l'industrie, mais il se rapprocherait peut-être alors des autres conseils et commissions. Il nous a semblé, au début, que l'année pro-

[*Text*]

But it was felt that initially, say next year, the committee will have a minimum amount of work to do.

Mr. Dinsdale: What is the situation with the Alberta Oil and Gas Conservation Board? Is it a mixture of non-experts and experts?

Mr. Hunt: The Chairman, Dr. Govier, of course, is indeed an expert. Mr. Manyluk is an expert, and I believe another member is from the legal profession.

Mr. Yewchuk: Mr. Chairman, if this amendment is accepted it could create a situation where the committee will have two public servants who are not experts at all and therefore will not be as capable of defending the public interest position. If there are only two who are experts, both of these could well be from outside the public service.

Mr. Gundlock: Mr. Chairman, there seems to be in this clause a weakness, for lack of a better word, in the last words "knowledge of oil and gas". I think we are talking about something else. This committee really has something else to do, and that is in conservation. The knowledge should be of conservation, of production, of transportation—do you

• 1040

get my meaning? Just the words oil and gas do not necessarily mean there is going to be an expert in the field we are talking about.

The Chairman: Are there any further comments? If there are no further comments, shall the amendment as proposed by Mr. Cullen carry?

Mr. Gundlock: Quite seriously, Mr. Chairman, I think we should have a little word of explanation on what the experts are expert in. As I mentioned previously, just to be knowledgeable about gas and oil might be purely academic knowledge. Is there a way of adding a word that would clarify that?

The Chairman: Mr. Hunt, do you have a comment on Mr. Gundlock's question?

Mr. Hunt: Mr. Chairman, I think to try to cover all the fields in which one might be expert in the broad generalized field of oil and gas would be very difficult.

[*Interpretation*]

chaine, par exemple, le comité aurait un minimum de travail à effectuer.

M. Dinsdale: Qu'en est-il du *Alberta Oil and Gaz Conservation Board*? Est-il composé d'experts et de profanes?

M. Hunt: Le président, M. Govier, est évidemment un expert. M. Manyluk également, et je pense qu'un des autres membres est avocat.

M. Yewchuk: Monsieur le président, si l'amendement est accepté il pourrait arriver que le comité compte, entre autres, deux fonctionnaires qui ne connaissent rien dans ce domaine et qui ne seront donc pas capables de défendre les intérêts du public. S'il n'y en a que deux qui sont des experts, il se peut que les deux ne soient pas de la fonction publique.

M. Gundlock: Monsieur le président, il me semble qu'il y a un point faible dans cet article, je dis point faible faute d'un meilleur terme, lorsqu'on dit «Connaissances... en matière de pétrole et de gaz.» Je crois que nous parlons d'autre chose. Je pense que ce comité a autre chose à faire, notamment s'occuper de conservation. Les connaissances devraient porter sur la conservation, la production, le transport, si vous comprenez ce que je veux dire. Si on dit simplement pétrole et gaz, cela ne veut pas dire que nous aurons un expert du domaine qui nous intéresse.

Le président: D'autres commentaires? Sinon, est-ce que l'amendement proposé par M. Cullen est adopté?

M. Gundlock: Sérieusement, monsieur le président, je pense que nous devrions avoir un autre mot d'explication sur la nature de l'expertise des experts. Comme je l'ai déjà mentionné, ils connaissent quelque chose en matière de pétrole et de gaz, mais cela peut être une connaissance purement théorique. Y a-t-il moyen d'ajouter un mot ici pour éclaircir ce point?

Le président: Monsieur Hunt, avez-vous des commentaires sur l'intervention de M. Gundlock?

M. Hunt: Monsieur le président, si nous essayons d'embrasser tous les domaines où l'on peut être expert, en matière de gaz et de pétrole, cela peut devenir assez compliqué.

[*Texte*]

Mr. Deakon: Mr. Chairman, if I may interject, if you added the word "knowledgeable" in the oil and gas industry...

Mr. Hunt: Mr. Chairman, then that would, of course, very definitely specify that these two experts must come from the oil and gas industry. I would particularly draw attention to the appointment of Dr. Govier as Chairman of the Oil and Gas Conservation Board. He previously was a professor of Chemical and Petroleum Engineering at the University of Alberta and in 1959 was appointed Dean of the Faculty of Engineering.

I suggest that the words used, "oil and gas", are there purposely to be very broad. It then could be oil and gas transportation, oil and gas storage, oil and gas production or oil and gas refining. One could list these specialties, but I think the concern of the legal draftsmen always is that when you list specialties or give a list, if you omit something from that list, it is then not included. So it is better, perhaps, to just leave the two words as they are.

Clause 5(1), as amended, agreed to.

The Chairman: Do we have a comment on any other subclauses? I did not realize there were going to be any, that is why I proceeded immediately to the clause.

Mr. Orange: Oh, yes, Mr. Chairman, I mentioned the other day that...

The Chairman: Are we talking about subclause (2) or subclause (3) of Clause 5?

Mr. Orange: I thought you asked if there were any comments on clause 5. If you want to pass subclause (2) and subclause (3) that suits me fine. I would like to interject that.

Clause 5(2) agreed to.

Mr. Dinsdale: There was some discussion the other day with reference to subclause (3). I think it was Mr. Orange who discussed this.

Mr. Orange: It was regarding the location of the Committee.

Mr. Dinsdale: Which subclause?

Mr. Orange: I am proposing a new subclause (4).

Mr. Dinsdale: A new subclause (4), very good, well, you carry on. I thought it would come in in subclause (3) because it states:

(3) The Minister shall provide the Committee with such officers, clerks and

[*Interprétation*]

M. Deakon: Monsieur le président, si je puis interrompre; on pourrait ajouter les mots «bien informé» au sujet de l'industrie du gaz et du pétrole.

M. Hunt: Monsieur le président, cela expliquerait clairement que ces deux experts doivent venir de l'industrie du pétrole et du gaz. Je signale que M. Govier a été nommé président de la *Oil and Gas Conservation Board*. Auparavant, il enseignait le génie pétrolier et chimique à l'Université de l'Alberta. En 1959, il fut nommé doyen de la faculté de Génie de cette université.

A mon avis, les termes pétroles et gaz employés sont assez généraux, et ceci est voulu. Il peut s'agir de transports, d'entreposage, de production, de raffinage. On peut dresser toute une liste de spécialités, mais le rédacteur de la loi doit toujours avoir ceci à l'esprit: quand on fait une liste, tout ce qui est omis est forcément exclu de la loi, et donc il est préférable d'en rester aux termes généraux.

Le paragraphe (1) de l'article 5 est adopté.

Le président: Avons-nous des commentaires sur les autres paragraphes? Je ne pensais pas qu'il y en aurait, c'est pour cela que j'ai commencé par parler de l'adoption de l'article tout entier.

M. Orange: Monsieur le président, l'autre jour ...

Le président: Parlons-nous du paragraphe 2 ou 3 de l'article 5?

M. Orange: Monsieur le président, je pensais que vous aviez demandé si nous avions des commentaires sur l'article 5, en général. Si vous voulez sauter le paragraphe 2 et 3, je suis d'accord.

Le paragraphe (2) de l'article 5 est adopté.

M. Dinsdale: On a beaucoup discuté, l'autre jour, au sujet du paragraphe 3. C'est M. Orange, je pense, qui en avait parlé.

M. Orange: Cela traitait du siège du Comité.

M. Dinsdale: Quel paragraphe?

M. Orange: Je propose un nouveau paragraphe 4.

M. Dinsdale: D'accord, mais je pensais que c'était compris au paragraphe 3, parce qu'on y dit:

(3) Le Ministre affecte au Comité les fonctionnaires, commis et employés qui

[*Text*]

employees as may be necessary for the proper conduct of the affairs of the Committee, and . . .

• 1045

I thought, perhaps, that was the subclause to state where the location or the site of this Committee should be.

Clause 5(3) agreed to.

The Chairman: Mr. Orange?

Mr. Orange: I propose, Mr. Chairman:

That a new subclause (4) be inserted in Clause (5) and that subclauses (4) and (5) be renumbered (5) and (6) and that subclause (4) should read as follows:

The headquarters of the Committee together with the staff of the Committee as described in subclause (3) shall be located either in the Yukon Territory or the Northwest Territories.

The Chairman: Do you want to forward the amendment to the Chair, Mr. Orange?

You have heard the proposed amendment, Dr. Ollivier, do you have any comments?

Dr. Ollivier: Yes. I am not sure whether that amendment is in order. If it is going to involve the creation of a new branch of a department, if it means appointing new civil servants, having new buildings and quarters, no doubt then that would involve an expenditure of money and the amendment would be out of order being proposed by a private member. The only thing I could suggest in a case like that a when the Bill is reported there might be a recommendation that the government should consider the expediency of doing this. I am not sure whether it involves an expenditure of money. I think I had better ask Mr. Hunt.

Mr. Orange: I doubt very much, Dr. Ollivier, if you read subclause (3), that this would involve an expenditure of money. This staff will be used for the Committee's purposes and whether they are used in Ottawa, Calgary, or Dawson City it will involve the same expense.

Dr. Ollivier: Do you have the quarters for them and everything?

Mr. Orange: Do they have them here? They are renting them now.

Mr. Hunt: Mr. Chairman, perhaps I might first speak to the technical aspects of this. It is our view, of course, even should some of the drilling now going on prove successful, it takes quite a while to develop a field and get

[*Interpretation*]

peuvent être nécessaires à la bonne marche des affaires du Comité . . .

Je pensais que cette question du siège du comité pourrait entrer dans cet article.

Le paragraphe 3 de l'article 5 est adopté.

Le président: Monsieur Orange.

M. Orange: Monsieur le président, je propose:

Que l'on insère un nouveau paragraphe 4 à l'article 5, que les paragraphes 4 et 5 deviennent 5 et 6, et que le paragraphe 4 soit le suivant:

«Le bureau central du Comité, ainsi que le personnel du Comité tel que décrit au paragraphe (3), doivent se trouver soit dans le territoire du Yukon, soit dans les territoires du Nord-Ouest.»

Le président: Voulez-vous envoyer l'amendement au président, monsieur Orange?

Vous avez entendu l'amendement proposé, monsieur Ollivier, avez-vous des commentaires?

M. Ollivier: Oui. Je ne suis pas sûr si l'amendement est recevable. S'il suppose la création d'une nouvelle direction du ministère, cela veut dire nommer de nouveaux fonctionnaires, avoir de nouveaux immeubles, de nouveaux locaux. Sans aucun doute, ces dépenses ne seraient pas acceptées si elles sont proposées par de simples députés. La seule chose que je peux suggérer dans ce cas est que lorsque le Bill sera devant la Chambre, on pourrait recommander au gouvernement qu'il est nécessaire de faire cela. Je ne sais pas si cela suppose des dépenses. Il faudrait le demander à M. Hunt.

M. Orange: Je doute, monsieur Ollivier, qu'en lisant le paragraphe 3, on trouve qu'il s'agit de dépenses. Le personnel appartiendra au Comité, et que ce soit à Ottawa, à Calgary ou à Dawon City, les dépenses seraient les mêmes.

M. Ollivier: Avez-vous les locaux nécessaires, et tout le reste?

M. Orange: Sont-ils ici? En ce moment, on les loue.

M. Hunt: Monsieur le président, je veux d'abord parler de l'aspect technique de la question. Nous sommes d'avis que même si les opérations de forage sont réussies, l'exploitation prend du temps à se développer, et

[*Texte*]

to the position where the Committee might become involved in hearings, so I think that the work before the Committee initially will be very minimal. It was, I believe, the Minister's intentions to provide the Committee with the necessary technical staff simply by adding to the duties of existing staff at headquarters.

Mr. Orange: There would be no increase in staff?

Mr. Hunt: Not immediately. There would be, I think, the increase of one, who also would have duplicate duties. Some of his duties would be a secretary to the Committee as and when it meets. I might inform the Committee that we have already exposed our requirement to Bureau of Classification Review and this was the first thing that they pointed at and they said "He would not have adequate work for a full-time employee" and that we must, indeed, combine it with other factors.

If I might turn, perhaps, on the practical problem here to what I understand to be the Minister's policy in this regard, I think in mining there has been, of course, a much longer history and we do have throughout the northern territories, both in the Yukon and the Northwest Territories, mining Recording Offices and full staff.

Just recently, the Minister has appointed with, of course, the accordance of the Public Service Commission, what we call regional directors of resources in both territories, with the purpose of strengthening, if you like, the representation on the ground of the resource administration. Just recently, too, we have

• 1050

amended the Canada Oil and Gas Land Regulations so that anyone may apply for oil and gas permits at either Whitehorse or Yellowknife.

It is my understanding that the Minister would, indeed, want to move in the direction suggested by Mr. Orange.

I think the problem is more perhaps one of timing, one of getting the staff together. It will require, of course, as I am sure everyone is aware, the support of petroleum engineers or geologist petroleum engineers and other technical people. It was our thought that we would build this up gradually and at an appropriate time, indeed, I think the Minister's policy would be to want to transfer this to the North. Certainly, I think we would want to transfer into the North as soon as activity warrants an expanding inspection staff and they will be established there as

[*Interprétation*]

par conséquent il y aura un certain temps avant que le Comité soit prêt à commencer les séances. Je pense donc que le travail du Comité sera donc minime. Je pense que le ministre était d'avis qu'il fallait fournir au Comité le personnel technique nécessaire tout simplement en ajoutant aux fonctions du personnel actuel du bureau central.

M. Orange: Il n'y aurait donc pas d'augmentation d'effectifs.

M. Hunt: Pas immédiatement. Je pense qu'il faudrait un employé de plus, qui aurait des fonctions doubles. Celui-là serait, entre autres, secrétaire du Comité lors de ses réunions. Je signalerais au Comité que nous avons déjà fait rapport de nos besoins au Bureau de la révision de la classification, et c'est la première chose qu'ils ont signalée, nous disant qu'il n'y aurait pas assez de travail pour un employé à plein temps, donc qu'il faudrait doubler les fonctions.

Si je puis passer maintenant à une autre question, soit le problème pratique de ce qui est la politique du ministre en cette manière. Je pense que l'industrie minière existe depuis longtemps, et que dans les territoires du Nord-Ouest et au Yukon, il existe des bureaux d'enregistrement et un effectif complet.

Récemment, le ministre a nommé, avec l'approbation de la Commission de la fonction publique, les directeurs régionaux des ressources dans les deux Territoires, afin qu'ils fortifient la représentation, si l'on veut, de l'administration des ressources. Récemment aussi, nous avons modifié le règlement concernant les terrains d'exploitation du gaz et du pétrole, afin que tous puissent demander des permis pour le pétrole et le gaz, soit à Whitehorse soit à Yellowknife.

J'ai donc l'impression que le ministre veut se diriger dans la voie proposée par M. Orange.

Il s'agit plutôt de temps et de regrouper le personnel. Comme tout le monde sait, cela exigera l'appui des ingénieurs spécialisés dans le pétrole, ou encore de géologues ou autres techniciens. Nous avons pensé que nous pourrions établir le tout par étapes. Au bon moment, le ministre transférera cela au Nord. Bien sûr, nous aimerions nous installer dans le Nord dès que la situation justifiera une augmentation du nombre d'inspecteurs qui s'y établiront là-bas dès que le besoin s'en fera sentir. En fait, nous nous en occupons à l'heure actuelle.

[*Text*]

soon as there is enough work. In fact, we are looking at this now.

The Chairman: Mr. Hunt, in order for me to be able to rule whether this amendment is in order or not, I need to know whether an additional expense would be involved if the proposal contained in Mr. Orange's amendment is put into effect. I will read the amendment proposed by Mr. Orange again.

> That a new subclause (4) be inserted in Clause 5 and that subclauses (4) and (5) be renumbered (5) and (6). And that the following be inserted:
>
> "The headquarters of the Committee together with the staff of the Committee as described in subclause (3) shall be located either in the Yukon Territory or the Northwest Territories."

I want to know if this is going to cost anything over and above the expense of what will result from what are now the provisions of subclauses (3), (4) and (5) of Clause 5.

Mr. Hunt: At present, Mr. Chairman, I think I would have to say it would result in additional expense.

Mr. Orange: I would like amplification of Mr. Hunt's statement, Mr. Chairman.

Mr. Hunt: As I explained, Mr. Chairman, we were planning initially to provide the specialist services to the Committee from the staff already available. This staff is also required in our normal run of duties in the administration of oil and gas permits and in the development that we will have to be doing of policies, regulations and requirements if this bill is approved. So if we are to establish the Committee and its staff in the North, we would, as I would see it, inevitably have to take on additional staff initially because of the workload still in headquarters. And, as I have indicated to Mr. Orange, we did intend to take on one additional staff member but this is all that would be needed over the first few years, I am sure, in Ottawa. If the Committee has to operate out of either Whitehorse or Yellowknife, we would have to provide the Committee with a geologist, with engineers. I do not see how they could operate without this specialized advice.

Mr. Orange: Where will your petroleum engineers now operate from, and what do they do?

Mr. Hunt: There is a difference here between the inspection service engineers who

[*Interpretation*]

Le président: Monsieur Hunt, pour que je puisse décider si l'amendement est recevable ou non, il me faut savoir si la mise en application de la proposition contenue dans l'amendement de M. Orange entraînera des frais supplémentaires. Je vais vous relire l'amendement proposé par M. Orange.

> Qu'un nouveau paragraphe soit inséré à l'article 5 du Bill, et que les paragraphes (4) et (5) soient renumérotés comme paragraphes (5) et (6). Et que le paragraphe suivant soit inséré:
>
> «Le bureau central du comité ainsi que le personnel du comité tel que décrit au paragraphe (3) doivent se trouver soit dans le territoire du Yukon, soit dans les Territoires du Nord-Ouest».

Je voudrais savoir si cela dépassera les dépenses de ce qui en découlera des dispositions actuelles prévues aux paragraphes (3), (4) et (5)?

M. Hunt: Monsieur le président, je pense que cela coûtera plus cher.

M. Orange: Monsieur Hunt, pourrait-il nous expliquer son point de vue, monsieur le président?

M. Hunt: Comme je l'ai expliqué, monsieur le président, nous avions l'intention de fournir au Comité les services spécialisés à même le personnel que nous avons déjà. Nous avons besoin de ce personnel pour accomplir les tâches ordinaires que comporte l'administration des permis d'exploitation du pétrole et du gaz, et la mise au point de politiques, règlements et dispositions au cas où le Bill est approuvé. Par conséquent, si nous nous décidons d'installer le Comité et son personnel dans le Nord, nous nous verrons contraints d'engager du personnel pour pouvoir administrer le bureau central. Et comme je l'ai indiqué à M. Orange, nous avons certainement eu l'intention d'ajouter une personne au personnel, c'est tout ce dont nous aurons besoin au cours des premières années, à Ottawa. Si le comité doit travailler à Whitehorse ou à Yellowknife, nous devrons assurer au Comité les services d'un géologue et d'ingénieurs. Je ne vois pas comment ils pourront fonctionner sans spécialistes.

M. Orange: Où comptez-vous installer vos ingénieurs du pétrole et que feront-ils?

M. Hunt: Il y a une distinction ici entre les ingénieurs du service d'inspection qui sont

[*Texte*]

are what we would call petroleum engineers and the staff that would be required to support the Committee who would be particularly reservoir-type engineers. And at the moment our petroleum engineers, our inspection staff now operate out of Calgary. We have two qualified engineers and I do think that consideration should and can be given to whether the time is now appropriate to per-

• 1055

haps move that operation into the territories. There is, of course, an offset; the industry prefer to have that operation in Calgary, and it does give them a great deal of opportunity. They need a drilling authority. They work sometimes in a rather rushed way and they need this drilling authority as soon as they apply for it. This is why we have maintained the operation there. It is a service to the public.

I think it is a question of which public we are trying to serve—the industry or the residents. Both, obviously. But we have to make a decision and I would think it is perhaps the same decision that the Department of Energy, Mines and Resources is facing with respect to core storage. We have represented to that Department that any expansion in core storage facilities should be in the North and they have pointed out other factors that suggest that it should be added on to their institute of Sedimentary and Petroleum Geology in Calgary, and it is a case of balancing here.

What I am suggesting here is that I believe it is a matter of policy. The Minister would want to move in this way; it is just the timing of the thing that is difficult.

Mr. Orange: I quite appreciate Mr. Hunt's point, Mr. Chairman.

But I cannot help feeling that concerning Mr. Hunt's group, who are basically acting on behalf of the Yukon and the Northwest Territories, and hopefully the future of the provinces, in establishing a resource management organization for both of the territories, as much as possible of the work and the activity, and as many as possible of the people involved should be located in the area served. I acknowledge his statement that it is a matter of timing and so on. But I also suggest that too often—maybe even in Mr. Hunt's interest or in this group's interest—unless some pressures are exerted by people such as ourselves, he will not be able to achieve his objectives or the objectives for which I personally am looking, and that is to have these activities located in the North.

[*Interprétation*]

des ingénieurs du pétrole, et le personnel dont on aura besoin pour appuyer le comité, et qui est composé essentiellement d'ingénieurs spécialisés dans la construction de réservoirs. Et à présent, nos ingénieurs sont installés à Calgary. Nous avons deux ingénieurs compétents et je ne crois pas que nous devrions ou pourrions nous attarder, pour le moment, sur la question de savoir s'il est opportun de s'établir dans les Territoires. Il y a, bien sûr, une compensation; l'industrie préfère qu'elles soient installées à Calgary et cela leur donne de nombreuses possibilités. Ils ont besoin d'une autorisation pour entreprendre les travaux de forage. Ils travaillent, parfois, de façon très accélérée et ils ont besoin d'obtenir l'autorisation aussitôt qu'ils en font la demande. C'est la raison pour laquelle nous y avons maintenu les opérations. C'est un service que nous rendons au public.

Il faut essayer de savoir quel public on veut servir, l'industrie ou les résidents. Les deux évidemment. Mais il nous faut prendre une décision et je pense que c'est un peu la même décision que celle que le ministère de l'Énergie, des Mines et des Ressources doit prendre à l'égard de l'entreposage souterrain. Nous avons attiré l'attention de ce Ministère sur le fait que dans le domaine de l'entreposage sous-terrain devrait se faire dans le Nord, et ils ont mentionné d'autres facteurs qui donnent à croire que cela devrait s'ajouter à leur Institut de géologie sédimentaire et pétrolifère à Calgary, et c'est une question d'équilibre en ce moment.

Ce que je veux dire ici c'est qu'il s'agit d'une question de politique. Le ministre voudrait agir en ce sens; la seule difficulté c'est de trouver le moment propice.

M. Orange: Je comprends tout à fait ce que M. Hunt dit, monsieur le président. Mais je ne peux m'empêcher de penser que le groupe de M. Hunt, qui essentiellement représente le Yukon et les Territoires du Nord-Ouest ainsi que, nous l'espérons, l'avenir des provinces pour créer une organisation chargée d'administrer des ressources des deux territoires, autant que possible pour ce qui est du travail et le plus grand nombre possible d'employés, devrait s'installer dans le secteur que l'on est supposé desservir. Je reconnais le bien-fondé de sa déclaration selon laquelle il s'agit d'une question de temps. Mais je tiens à dire que trop souvent, et même dans l'intérêt de M. Hunt ou de son groupe, si on n'exerce pas de pression, si nous, par exemple, n'exerçons pas de pression, qu'il ne pourra pas atteindre ses objectifs, ou les objectifs que je me suis fixés, et qui consistent à entreprendre ces travaux dans le Nord.

[*Text*]

His statement that this is what he wants to do is one thing but whether he will be able to do it is another. There could be a change of government policy, a change in attitudes of Ministers, changes of personnel within his own organization, and all sorts of other things. This makes his statement very difficult for me to accept. I do not say this in disrespect to Mr. Hunt, but I know there are often too many roadblocks placed in the way of these good intentions.

The Chairman: I think, Mr. Hunt, in order to clarify matters for the Chair, I would need to know whether or not, when the Committee becomes fully operational, the amendment proposed by Mr. Orange would even at that time involve an additional expenditure of funds. If that is the case, then I am obliged to rule the amendment out of order. If it is not the case then the amendment would be in order.

Mr. Hunt: I am afraid, Mr. Chairman, yes it would. It is a case of providing some office space.

Mr. Dinsdale: Mr. Chairman, I do not know whether I can be helpful in this regard or not. I support very strongly Mr. Orange's amendment and I would think that if there was any additional expenditure involved—usually there is in adding new government activity—it is covered by subclause (3):

> (3) The Minister shall provide the Committee with such officers, clerks and employees as may be necessary for the proper conduct of the affairs of the Committee...

There is no indication where this Committee should operate from. It merely states that the Minister will provide and is authorized to provide under this Act, officers, clerks and employees and so on. So the new subclause (4) would be covered by the intent, I would suggest, of subclause (3).

• 1100

Mr. Southam: Mr. Chairman, I agree with the analysis that Mr. Dinsdale has just given of this.

The Chairman: I have one further question for my own clarification. Would staff duplication be involved, Mr. Hunt, if the amendment proposed by Mr. Orange were...

Mr. Hunt: Perhaps one of the biggest problems is to implement the suggestion immediately. I am afraid there would be staff duplication, one reason being that the chief conservation officer would have to be there at

[*Interpretation*]

Il s'agit de savoir s'il pourra le faire à cause des changements de politique, du gouvernement, de l'attitude des ministres, du personnel de l'organisation et toutes sortes de considérations. Il devient difficile pour moi d'accepter son point de vue. Je ne dis pas cela par manque d'égards envers M. Hunt, mais je sais qu'il y a bien souvent trop d'empêchements qui nuisent aux bonnes intentions.

Le président: Je pense, monsieur Hunt, que pour que la question soit bien claire pour le président, je devrais savoir, lorsque le comité fonctionnera officiellement, si l'amendement proposé par M. Orange impliquera des dépenses supplémentaires. S'il en est ainsi, je suis obligé de déclarer l'amendement irrecevable, sinon, l'amendement est recevable.

M. Hunt: Oui, je pense qu'il y aurait des dépenses supplémentaires. Il faudrait du moins des nouveaux locaux.

M. Dinsdale: Monsieur le président, je ne sais pas si je pourrais me rendre utile ou non, mais j'appuie fermement l'amendement de M. Orange. S'il y a des dépenses supplémentaires, il y en a d'habitude dans toutes nouvelles activités du gouvernement, cela est prévu au paragraphe (3):

> (3) Le ministre affecte au Comité les fonctionnaires, commis et employés qui peuvent être nécessaires à la bonne marche des affaires du Comité...

Alors, on n'indique pas où le Comité devrait être installé mais on dit que «Le ministre affecte au Comité les fonctionnaires, commis et employés qui peuvent être nécessaires à la bonne marche des affaires du Comité, etc.» Alors tout cela est compris dans le paragraphe (3).

M. Southam: Je suis d'accord avec l'analyse présentée par M. Dinsdale à ce sujet.

Le président: J'aimerais poser une autre question pour m'éclairer. Est-ce qu'il y aurait double emploi du personnel, monsieur Hunt, si l'amendement proposé par M. Orange était...

M. Hunt: Il est possible que le problème le plus important soit l'application immédiate de la recommandation. Je crains qu'il y ait un chevauchement sur le plan du personnel parce que le directeur de la conservation y serait à

[*Texte*]

a senior level. I think it was felt in this Committee that he would have to be a senior man. At the same time a man with the same capability and talents is required in headquarters to develop some of the policy that will naturally flow, should this bill be approved. From our point of view, it can give us a lot of work. Clause 12 of course, with its many, many authorizations to make regulations and that, implies from our point of view a great deal of work, and at very senior policy level too, to draft the proper regulations and get them into operation.

Dr. Ollivier: To a certain extent I agree with Mr. Dinsdale, that subclause (3) already provides for the furnishing of employees.

However, on the other hand, you are forcing the hand of the government to provide those employees which at that moment it was not thinking of supplying. I think it is a borderline case and in a matter of such doubt, especially since the bill was introduced in the Senate and not in the House, you could probably let that amendment go through, if you are in favour of it. It would not be any worse than it is now.

Mr. Deakon: Mr. Chairman, I do not think, from reading subclause (3), that you are really treading on extra government expenditures because the end of the subclause provides "except with the approval of the Treasury Board". So you still have to get past Treasury Board to supply the Committee with anything other than stated in subclause (3).

Dr. Ollivier: You are still getting money out of the Consolidated Revenue Fund that you would not take out of the Consolidated Revenue Fund if you did not have that amendment.

The Chairman: Gentlemen, I have to make up my mind on this. I have received advice from Dr. Ollivier which would appear to support the position that an additional expenditure of funds is involved.

Mr. Yewchuk: On a point of order, Mr. Chairman, without knowing the details there is no way you can make such a statement. You are pulling a statement out of the air or making it off the top of your head when you say additional expenditures would be involved. We do not know how many people will have to travel if they are based in Ottawa or how many will have to travel if they are based in the Territories. It is quite conceivable that this expert would have to

[*Interprétation*]

un échelon supérieur. Je crois qu'on a compris dans ce Comité qu'il fallait qu'il soit un employé sénior. En même temps, quelqu'un qui a le même talent ou la même compétence est nécessaire à l'administration centrale, pour mettre au point les politiques qui, découleront naturellement de l'adoption du projet de loi. A notre avis, cela peut nous donner beaucoup de travail. Évidemment l'article 12 avec toutes les autorisations destinées à réglementer, implique, d'après nous, énormément de travail et au niveau de travail senior, la rédaction de règlements justes et leur application.

M. Ollivier: Jusqu'à un certain point, je partage l'opinion de monsieur Dinsdale, à savoir que le paragraphe (3) prévoit déjà un effectif.

D'autre part, vous forcez le gouvernement à fournir les employés qui, dans le moment, ne sont pas prévus. Mais je pense que c'est un cas limite, et devant tant de doute, particulièrement depuis que le projet de loi a été présenté au Sénat et non à la Chambre, vous pourriez probablement adopter cet amendement, si vous y êtes favorable, car il ne serait pas pire qu'il ne l'est.

M. Deakon: Monsieur le président, je ne pense pas, à la lecture du paragraphe 3, que vous empiétez vraiment sur les dépenses supplémentaires du gouvernement parce que la fin du paragraphe stipule: «sauf approbation du conseil du Trésor.» Donc, il faut encore l'approbation du conseil du Trésor pour nommer au comité, qui que ce soit d'autre que ce qui est prévu au paragraphe (3).

M. Ollivier: Vous retirez encore de l'argent de la Caisse du Revenu consolidé que vous n'y prendriez pas si cette modification était adoptée.

Le président: Messieurs, il faut que je me décide là-dessus. J'ai reçu l'opinion de M. Ollivier qui semblerait croire qu'il y aurait des dépenses supplémentaires.

M. Yewchuk: J'invoque le Règlement, monsieur le président. Sans connaître tous les détails de la question, il est impossible de faire une telle déclaration. Vous avancez quelque chose de gratuit. Nous ne savons pas combien de gens vont devoir se déplacer si le bureau central est à Ottawa ou combien devront voyager s'il est situé dans les Territoires. Il est assez plausible que ce spécialiste doive voyager si l'administration centrale se trouve dans les Territoires, mais s'il ne doit

[*Text*]

travel, if based in the Territories, but if he does not it would involve four or five other committee members travelling.

Mr. Orlikow: Mr. Chairman, on a point of order, the bell has stopped ringing and the House will be meeting in about three minutes. I suggest that we take the vote on this or adjourn and deal with it at some later meeting.

• 1105

The Chairman: Could we ask for the patience of the Committee for another two or three minutes. I would like to try to get clarification of this.

Mr. Orlikow: Mr. Chairman, we are not really finished with the bill anyway.

The Chairman: Gentlemen, we will stand this clause and adjourn.

[*Interpretation*]

pas le faire, il faudrait que quatre ou cinq autres membres du comité voyagent.

M. Orlikow: J'invoque le Règlement. La cloche a arrêté de sonner et la Chambre doit se réunir dans environ trois minutes. Je propose que l'on vote cette modification ou qu'on ajourne la séance, pour traiter la question à un autre moment.

Le président: Pouvons-nous demander aux membres du Comité de faire preuve de patience pour deux ou trois minutes. Je voudrais que l'on clarifie la question.

M. Orlikow: Monsieur le président, nous n'allons pas vraiment terminer l'étude du bill.

Le président: Messieurs, la séance est levée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

LIBRARY
JUN 11 1969
UNIVERSITY OF TORONTO

Chairman Ian Watson *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 22

TUESDAY, MAY 13, 1969

LE MARDI 13 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des Affaires indiennes et du Nord canadien.

Appearing:

Minister of Indian Affairs and Northern Development. Hon. Jean Chrétien

A comparu:

Ministre des Affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*) (*Voir Procès-verbaux*)

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-Président*

and Messrs. — et Messieurs

Badanai
Borrie
Cullen
Deakon
Dinsdale
Hymmen
Gundlock
[1] Kaplan
Laprise
Marchand (*Kamloops-Cariboo*)
Nielsen
[2] O'Connell
Orlikow
Orange
Simpson
Southam
Thomson (*Battleford-Kindersley*)
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(*b*)

[1] Replaced Mr. O'Connell May 12, 1969.
[2] Replaced Mr. Hogarth May 13, 1969.

Conformément à l'article 65(4)(*b*) du Règlement

[1] Remplace M. O'Connell le 12 mai 1969.
[2] Remplace M. Hogarth le 13 mai 1969.

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, May 13, 1969.
(23)

The Standing Commitee on Indian Affairs and Northern Development met this day, at 11:15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Orange, Southam, St. Pierre, Watson, Yewchuk—(14).

Appearing: The Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development.

Witnesses: From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister, (Conservation); Mr. R. F. Battle, Assistant Deputy Minister, (Social Affairs); Mr. A. D. Hunt, Director, Northern Economic Development Branch, Economic Development Program.

The Committee *agreed* to proceed to Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Chairman introduced the Minister, who made a statement, after which he and his officials were questioned by members of the Committee.

The questioning of the witnesses continuing, at 1:10 p.m., on motion of Mr. Cullen, the Committee adjourned to Wednesday, May 14, 1969.

[*Traduction*]

PROCÈS-VERBAL

Le MARDI 13 mai 1969.
(23)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Watson, président.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Gundlock, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orlikow, Orange, Southam, St-Pierre, Watson, Yewchuk—(14).

A comparu: L'honorable Jean Chrétien, ministre des Affaires indiennes et du Nord canadien.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. A. MacDonald, sous-ministre; M. J. H. Gordon, sous-ministre adjoint senior (Conservation); M. R. F. Battle, sous-ministre adjoint (Affaires sociales); M. A. D. Hunt, directeur, Direction d'expansion économique du Nord, Programme d'expansion économique.

Le Comité *décide* de passer à l'examen du crédit 1—Administration centrale—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970.

Le président présente le Ministre, qui fait une déclaration puis répond, ainsi que ses collaborateurs, aux questions des membres du Comité.

L'interrogation des témoins se poursuivant, à 1 h. 10 de l'après-midi, sur la proposition de M. Cullen, le Comité s'ajourne jusqu'au mercredi 14 mai 1969.

Le secrétaire du Comité,
Michael B. Kirby.
Clerk of the Committee.

20209—1½

[*Texte*]

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, May 13, 1969

• 1113

The Chairman: Gentlemen, I call the meeting to order. I would like to call Item 1—Departmental Administration, in the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Committee will return to Bill S-29 on Wednesday afternoon, May 14. On Thursday, May 15, the Yukon Electricity Company will be appearing before the Committee.

We are pleased to have with us today the Honourable Jean Chrétien, the Minister of Indian Affairs and Northern Development.

We also have as witnesses Mr. John Rae, Executive Assistant to the Minister; Mr. J. A. MacDonald, Deputy Minister; Mr. J. H. Gordon, Senior Assistant Deputy Minister (Conservation); Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. A. D. Hunt, Director, Northern Economic Development Branch; Mr. W. D. Mills, Departmental Secretary of Indian Affairs and Northern Development.

Without further delay I would like to call on the Honourable Jean Chrétien, Minister of Indian Affairs and Northern Development. Mr. Chrétien.

L'hon. Jean Chrétien (Ministre des Affaires indiennes et du Nord canadien): Merci, monsieur le président.

This has been a critical and busy year for my Department. From the time I was asked to act in my capacity as Minister, there has been constant concern about our responsibilities in the area of Indian Affairs. It has been an active year in the North where great changes are taking place. More and more Canadians are interested in the problems of conservation

• 1115

and the initiatives we are taking to meet this challenge. My statement today will be brief. I would like to outline the steps we are taking in the main problem areas which are of greatest concern to my Department and to the government at this time.

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 13 mai, 1969

Le président: Messieurs, la séance est ouverte. J'aimerais mettre en délibération le crédit nº 1—Administration centrale, du budget 1969-1970 du ministère des Affaires indiennes et du Nord canadien.

Le Comité reviendra au Bill S-29 mercredi après-midi, le 14 mai; le jeudi 15 mai, la *Yukon Electricity Company* comparaîtra devant notre Comité.

Nous sommes heureux d'avoir avec nous, aujourd'hui, l'honorable Jean Chrétien, ministre des Affaires indiennes et du Nord canadien.

Nous avons aussi comme témoins M. John Rae, adjoint administratif du ministre; M. J. A. MacDonald, sous-ministre; M. J. H. Gordon, premier sous-ministre adjoint (Conservation); M. R. F. Battle, sous-ministre adjoint, (Affaires sociales); M. A. D. Hunt, directeur, Direction de l'expansion économique du Nord, et M. W. D. Mills, secrétaire ministériel.

Sans plus tarder, je donne la parole à l'honorable Jean Chrétien, ministre des Affaires indiennes et du Nord canadien. Monsieur Chrétien.

The hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I thank you, Mr. Chairman.

L'année en cours a été pour le Ministère, une année critique et remplie d'activité. Depuis ma nomination au Ministère, je me suis préoccupé constamment de m'acquitter de mes responsabilités en ce qui concerne les Affaires indiennes. L'année a aussi été marquée d'une grande activité dans le Nord, où de grands changements se sont produits. De plus en plus, les Canadiens s'intéressent aux problèmes de la conservation et aux initiatives que nous prenons pour tenter de les résoudre. Ma déclaration d'aujourd'hui sera brève. Je voudrais vous exposer brièvement les mesures que nous prenons actuellement au sujet des principales difficultés qui préoccu-

[*Text*]

Indian Affairs is a top priority for the government. Over the past year, we have been conducting a fundamental reassessment of the government's Indian policy. We have now reached the stage where decisions must be taken. The reassessment of Indian policy began last July with the Indian people. Consultations were held with Indian representatives across the country. Seventeen regional and one national meeting were held to discuss the Indian Act, with all its restrictive clauses and provisions. Many Indian spokesmen wanted to extend the discussions beyond the question of a revised Indian Act. The consultations were not restrictive. Indian spokesmen were free to raise a variety of questions which were important to them and this they did.

I am convinced that what is required is bold new initiatives because it is clear that the old ones have not worked. The Indian spokesmen have told us many things. They have said clearly for everyone to hear that they are proud of their Indian heritage, a proud people who want to manage their own affairs. They have spoken plainly and their words have been heard. I was impressed, and the Canadian people have been impressed with the determination expressed at meeting after meeting to break the bonds of the past, to deal with their own business and to throw off the shackles of paternalism.

Despite the fact that many Indian people have made and are making a great contribution to Canadian life, barriers remain. Indian people want the right to participate fully in the social, economic and political life of Canada. They want other Canadians to recognize the importance of their cultural diversity in the mosaic of Canadian life.

It is clear that the Indian spokesmen believe that services ought to be available equitably to all Canadians and that those who are furthest behind in material things ought to have enriched services to help them catch up. They have said clearly that the Indian people's full participation will only follow redress of legitimate grievances and that they believe contracts once entered into ought to be honoured until they are either fulfilled, amended or commuted.

[*Interpretation*]

pent présentement mon Ministère et le gouvernement en général.

Les questions relatives aux Affaires indiennes sont de la plus haute importance pour le gouvernement. L'an dernier, nous avons procédé à un important réexamen de la politique du gouvernement à l'endroit des Indiens. Il nous faut maintenant prendre des décisions. Le réexamen en question, qui s'est fait en collaboration avec les intéressés, a commencé en juillet dernier. Des consultations ont eu lieu avec des représentants indiens, d'un bout à l'autre du pays. On a tenu dix-sept réunions régionales et une réunion nationale, afin d'examiner la Loi sur les Indiens, avec toutes les dispositions restrictives qu'elle comporte. Plusieurs porte-parole indiens ont voulu étendre le champ des discussions. Les consultations n'ont présenté aucun caractère restrictif. Les porte-parole indiens étaient libres de soulever toutes les questions qui les intéressaient particulièrement.

Ce qu'il reste à faire maintenant, c'est de prendre des initiatives nouvelles et audacieuses, car celles qui ont été prises jusqu'ici n'ont manifestement pas donné les résultats attendus. Les porte-parole indiens nous ont appris plusieurs choses. Ils ont affirmé sans ambages qu'ils sont fiers de leur patrimoine et qu'ils désirent prendre en main la question de leurs propres affaires. Ils ont parlé sans détours et ils ont été entendus. Tout comme la population canadienne, j'ai été impressionné par l'esprit de décision dont ils ont fait preuve, réunion après réunion afin de rompre leurs liens avec le passé, de prendre en main leurs propres destinées et de se débarrasser des chaînes du paternalisme.

Même si bon nombre d'Indiens ont déjà contribué à la vie canadienne et continuent de le faire, il n'en subsiste pas moins des obstacles réels. Les Indiens veulent avoir droit de participer pleinement à la vie sociale, économique et politique du Canada. Ils veulent que la population canadienne reconnaisse l'importance de leur diversité culturelle dans l'éventail des composantes canadiennes.

[*Texte*]

They have asked for control of Indian lands and funds. They have said that no one should have restrictions placed on his property except those that are for the good of all and they have said that discrimination ought not to be embedded in laws. I can see that the land is as important to Indian people as language is to French-speaking Canadians.

These are the central themes that have emerged from the meetings. The issues which have been discussed are very broad, very complex, very difficult. There are no easy answers. It has been said many times that only through participation, through discussion, through consultation can real progress take place. Only through these processes can satisfactory solutions, new directions, workable programs be identified.

Consultation is the seeking of advice. We have heard the advice from the first round of discussions. Now we in the government must respond. I have told the Indian spokesmen they can expect our response in June. We have been reviewing carefully all the questions that were raised. We are considering them in the light of the expressed needs of the Indian people and the responsibility of government. We have an obligation too. We must take our responsibility before Parliament which has, as it must, the right to make the final decision.

I do not want to speak today about the direction of our policy planning. I will make an announcement in June. Then, we shall return to consultations as the next step involving those most directly concerned.

[*Interprétation*]

Il est normal que les porte-parole indiens estiment que des services semblables doivent être dispensés à tous les Canadiens et il est normal aussi qu'ils réclament pour les classes matériellement défavorisées, des services supplémentaires, de manière à améliorer leur sort. En outre, les porte-parole indiens ont clairement affirmé que les Indiens ne participeront pleinement qu'au redressement de griefs réels; de plus, ils ont soutenu qu'on ne peut se libérer de contrats déjà passés qu'en les exécutant au complet, en les modifiant ou en les rachetant.

Je n'ai pas l'intention de vous parler aujourd'hui de l'orientation à donner à nos lignes de conduite. Je ferai une déclaration à ce sujet en juin prochain. Nous pourrons alors revenir aux consultations, soit à l'étape postérieure, qui mettra en cause les personnes les plus directement intéressées.

L'intérêt que la population canadienne accorde au Nord canadien a considérablement augmenté ces derniers temps. C'est que le Nord canadien traverse présentement une période de croissance sans précédent qui se caractérise par une activité débordante. Ce qui est nouveau, c'est l'avènement du développement économique; c'est aussi l'évolution rapide du gouvernement au Yukon et dans les Territoires du Nord-Ouest.

The interest of the Canadian population in Northern Development has increased considerably these last years. The reason is that Northern Development is presently experiencing an unprecedented period of growth characterized by a tremendous amount of activity. What is new is the progress in economic development, and also the rapid development of the Government of the Yukon and the Northwest Territories.

Depuis ma nomination comme Ministre du Nord canadien—il y a un peu moins d'un an—j'ai effectué plusieurs voyages dans le Nord et j'ai discuté à maintes reprises avec les conseillers des deux Territoires. Le transfert de responsabilités au gouvernement des T.N.-O., à Yellowknife, pour la région du Mackenzie s'est effectué avec succès et dans

Since my appointment as Minister of Northern Development, slightly less than one year ago, I have made several trips to the North and I have had discussions with the Councillors of the two Territories on many occasions. The transfer of the responsibilities for the Mackenzie region to the Government of the Northwest Territories at Yellowknife

[*Text*]

les délais prévus. Je puis vous dire que le transfert des responsabilités pour les régions du Keewatin et de Baffin se poursuivra au cours des prochains mois pour se terminer le 1er avril 1970. Je suis maintenant convaincu de la nécessité de changements additionnels. Ces changements permettront aux représentants de la population de participer plus étroitement aux décisions qui affectent leur existence quotidienne. Et j'espère être en mesure d'annoncer la politique du gouvernement à cet égard au cours des prochaines semaines.

L'économie du Nord canadien a connu une année exceptionnelle en 1968. Au Yukon, la production minière est passée de 14 millions à 23 millions, soit une augmentation d'environ 60 p. 100 par rapport à l'année précédente. Dans les T.N.-O., 44,489 claims miniers ont été enregistrés comparativement à 28,622 en 1967. Et les revenus provenant de la vente de permis et de concessions pétrolières dans le Delta du Mackenzie et dans les Îles de l'Arctique sont passés de 2 millions à 8 millions. Lors du dernier voyage effectué par votre comité dans le Nord, vous avez pu constater par vous-mêmes le grand essor de cette région. Et tout indique que cette nouvelle expansion va se poursuivre au même rythme cette année. La Compagnie des Pétroles Panarctic a entrepris le forage d'un puits de 10,000 pieds dans l'Archipelle Arctique. Les premiers résultats sont encourageants. La semaine dernière, la Compagnie a rencontré une zone d'échappement de gas à 3,500 pieds. Elle doit maintenant continuer à creuser plus profondément.

Le transport dans le Grand Nord constitue un défi d'envergure. Les succès remportés par le brise-glace de type Alexbow sont très prometteurs. D'autres essais seront effectués au cours des prochains mois pour améliorer le dispositif. Nous surveillerons avec grand intérêt cet été le voyage du pétrolier Manhattan qui, en compagnie d'un brise-glace canadien, tentera de se frayer un chemin du Pacifique à l'Atlantique à travers le passage du Nord-Ouest.

Notre souveraineté sur le territoire canadien dans le Nord n'est nullement menacée. Elle ne fait aucun doute. Nous avons toujours été présents dans le Nord. Aujourd'hui, le gouvernement et l'entreprise privée sont plus actifs que jamais dans la mise en valeur des ressources naturelles de cette région. Le gouvernement fédéral fait sa part en contribuant au financement des dépenses d'infrastructure, mais c'est à l'entreprise privée que revient la responsabilité principale de mettre en valeur ces territoires. Cependant, comme je le disais

[*Interpretation*]

was concluded successfully and within the required time. I can tell you that the transfer of the responsibilities for the Keewatin and Baffin regions will occur in the course of the next month, to be completed by April 1, 1970. I am now convinced that additional changes will be necessary. These changes will enable the representatives of the population of the North to more closely participate in the decisions that affect their daily existence. And I hope to be able to announce the Government policy in that respect during the next few weeks.

The economy of Northern Development has experienced, in 1968, an exceptional year. In the Yukon, the mining production increased from 14 million to 23 million dollars, representing an increase of approximately 60% as compared with the preceding year. In the Northwest Territories, 44,489 mining claims were registered, as compared with 28,622 in 1967. The revenue resulting from the sale of oil permits and concessions in the Mackenzie Delta and on the Artic Islands increased from 2 million to 8 million dollars.

During your Committee's last trip to the North, you were able to observe for yourselves the increasing expansion in that region. And everything indicates that new expansion will continue this year at the same rate. The Panarctic Petroleum Company has started with the drilling of the first 10,000 foot well in the Arctic Archipelago. The first results are encouraging. Last week, the Company encountered, at a depth of 3,500 feet, a gas bearing zone and will continue to drill to a greater depth.

Transportation in the Great North constitutes a sizable challenge. The success of the Alexbow type of icebreaker is very promising. Other efforts will be made during the next months to improve the system. We will watch with great interest the trip of the tanker Manhattan, this summer, which, accompanied by a Canadian icebreaker, will try to pass from the Pacific to the Atlantic Ocean by clearing a passageway across the North West.

Our sovereignty over the Canadian territory in the North is in no way threatened. It is in no way questioned. We were always present in the North. The Government and private enterprise, today, are more active than ever in the development of natural resources in that area. The Federal Government is doing its part by contributing to the financing of the expenses in the infrastructure, but it is up to private enterprie to assume the main responsibility to develop these territories. However, as I recently said at Whitehorse, on the occa-

[*Texte*]

récemment, à Whitehorse, à l'occasion de la troisième conférence annuelle sur les ressources, là où persistent des situations monopolistiques il est évident que le gouvernement doit intervenir pour protéger l'intérêt public.

Il n'en demeure pas moins vrai que le développement du Nord exige une action concertée du gouvernement et du secteur privé. Lors d'une récente visite de cinq centres financiers en Europe, j'ai pu constater le grand intérêt des investisseurs européens dans l'expansion du Nord canadien. Je suis convaincu que plusieurs d'entre eux, au cours des prochaines années, viendront s'associer à l'entreprise canadienne pour exploiter les gisements miniers et les puits de pétrole qui créeront de nouveaux emplois dans le Nord.

Je l'ai souvent dit depuis que je suis Ministre du Nord canadien et je désire le répéter aujourd'hui. Notre seul objectif ne saurait être de maximiser l'exploitation des richesses naturelles. Nous devons plutôt opter pour une politique d'ensemble qui tienne compte à la fois du facteur humain et des exigences de la conservation. La recherche d'une croissance équilibrée, tel doit être notre objectif.

Pendant trop longtemps les premiers habitants du Nord ont été traités comme une catégorie à part. Aujourd'hui, les Indiens et les Esquimaux doivent être considérés comme des citoyens à part entière, jouissant des mêmes droits et des mêmes responsabilités. Mais on ne peut pas se contenter d'apporter aux habitants du Nord les bienfaits de l'éducation, si les diplômés ne peuvent trouver aucune occasion d'emploi. Et, il ne suffit pas simplement de soulager les effets du sous-emploi par des paiements d'assistance sociale.

• 1125

Le vrai défi consiste à fournir des possibilités d'emploi dans tous les secteurs de l'économie. Depuis quelque temps, mon ministère cherche à définir une politique d'emploi qui tienne compte du nombre d'emplois à créer et des centres de croissance les plus prometteurs. Il est bien évident que le gouvernement et l'entreprise privée devront faire davantage encore dans ce domaine et que cela devra se faire en étroite collaboration.

The potential for development has never been greater and this brings with it a greater threat to the Northern environment. The Arctic is a fragile ecology and disturbance causes damage which remains, for years. Development must take place and our concern must be to see that damage is the least possible and soonest repaired.

I was happy to read the other day a report of a speech by the President of Imperial Oil who was discussing the problems of pipelining in the North. When industry recognizes

[*Interprétation*]

sion of the "Third Annual Northern Resource Conference", where monopolistic situations persist, it is clear that the Government must intervene to protect the public interest. It is no less true that the development of the North demands concerted action on the part of the Government and of the private sector. During a recent visit to five financial centers in Europe, I was able to observe that the investors in Europe are greatly interested in the expansion of Northern Canada. I am convinced that several among them, during the next few years, will become associated with Canadian enterprises to develop the mining deposits and the oil wells that will create new employment in the North.

I have often said it, since I became Minister of Northern Development, and I wish to confirm it today. Our sole objective must not be a maximum development of the natural wealth, but we must adopt an aggregate policy that takes both the human factor into account and the requirements of conservation. Our objective must be the search for balanced growth.

The early inhabitants of the North have too long been treated as second-class citizens. The Indians and the Eskimos today must be considered as full-fledged citizens, enjoying the same rights and the same responsibilities. But we cannot be content with bringing the benefits of education to the inhabitants of the North, if the graduates are unable to find employment. And it is not simply sufficient to relieve the effects of under-employment by making social welfare payments.

The true challenge consists in supplying employment opportunities in all sectors of the economy. For some time, my Department has been trying to define an employment policy that takes into account the number of jobs to be created and the most promising growth centers. But it is quite evident that the Government and private enterprise must do even more in this field and that this must be done in close cooperation.

Les perspectives d'expansion n'ont jamais été si belles qu'à l'heure actuelle, mais il s'agit de minimiser les dangers qu'elle pourrait occasionner. L'écologie de l'Arctique est très fragile et toute perturbation pourrait laisser sa marque plusieurs années durant. Notre souci d'expansion doit être accompagné d'un désir d'éviter les répercussions néfastes et d'y remédier le plus vite possible. L'autre jour, j'étais très heureux de lire le rapport d'un discours du président de la société Imperial Oil sur les dicultés d'installation de pipe-li-

[*Text*]

the need for concern and shows its willingness to co-operate, many things are possible through discussion and technical assistance which would otherwise fall under the rigid rules of regulation. Co-operation is more rewarding for both interests, for there are always the unpredicted circumstances which escape regulation as well as the unforeseen needs which the regulations forbid.

We have guidelines for exploration work in the North and are seeking additional ways to protect our national heritage. I look forward to the type of co-operation which the President of Imperial Oil has offered. We have a clean slate in Northern Canada and we must avoid the mistakes too often made down here. In this connection, I am going to be bringing forward legislation to protect the quality of northern waters which form an important natural resource. I am informed that one fifth of the fresh water of the world is in the North and that is why it is important to act soon.

We also want to establish National Parks in both the Northwest Territories and the Yukon before development overtakes the environment. "Protéger la nature, c'est nous protéger nous-mêmes". Mr. Chairman, now is the time in the North. We are planning two parks in the Nortwest Territories and one in the Yukon.

We hope to have them soon. Land set aside for conservation is an investment in Canada's endowment for the future. It must be made now while the potential remains unspoiled. Conservation is an essential factor and one which we can afford.

• 1130

We are now at various stages of negotiation on nine new park proposals. I do not want to go into each of these in detail. Let me say that in British Columbia enabling legislation has been passed by the Province and an agreement is being drawn up. In Saskatchewan, we are discussing the establishment of a park to preserve a tract of prairie grassland—a valuable part of Canada's heritage. In Manitoba, we are discussing a park in the eastern part of the province.

In New Brunswick there is an acceptance of the desirability of an east coast park and

[*Interpretation*]

nes dans le Nord. Quand les chefs d'entreprises sentent le besoin de se pencher sur un problème et se montrent prêts à coopérer, on peut espérer accomplir de grandes choses par des consultations mutuelles et la coopération technique, sans avoir recours à des réglementations rigoureuses. La collaboration rend de plus grands services aux deux parties en cause, car il survient toujours des circonstances qui échappent au règlement ou des besoins urgents qui tombent sous le coup de restrictions.

Nous avons établi des lignes de conduite régissant les travaux d'exploration dans le Nord et nous cherchons les meilleurs moyens de sauvegarder notre patrimoine national. J'envisage avec plaisir la collaboration que m'a offerte le Président d'Imperial Oil. Nous avons fait table rase dans le Nord canadien et nous devons éviter les erreurs trop souvent commises ici dans le Sud. A ce sujet, je vais présenter une mesure législative concernant la protection des eaux du Grand nord, qui forment une de nos plus importantes ressources naturelles. On me dit que le Grand nord renferme le cinquième des réserves mondiales d'eau douce; c'est pourquoi il importe d'agir sans tarder.

Nous voulons aussi établir des parcs nationaux dans les Territoires du Nord-Ouest et au Yukon avant que ces régions ne soient développées. To protect nature is to protect ourselves. Monsieur le président, c'est maintenant le temps d'agir dans le Nord. Nous projetons d'établir deux parcs dans les Territoires du Nord-Ouest et un au Yukon.

Nous espérons les avoir bientôt. Des terres ont été mises de côté et cela est un investissement qui rapporte pour l'avenir et qui doit être fait maintenant pendant que les possibilités en demeurent. La conservation est un facteur important de progrès dont nous avons les moyens de profiter.

Actuellement, nous sommes à différentes étapes de négociation au sujet de neuf nouveaux parcs. Je n'entrerai pas dans les détails de chacun d'eux. Je dirai simplement qu'en Colombie-Britannique, une législation appropriée a été adoptée par la province et qu'une entente est en cours de rédaction. A propos de la Saskatchewan, nous projetons l'aménagement d'un parc aux fins de préserver une vaste étendue de prairie, soit une précieuse part du patrimoine du Canada. En ce qui concerne le Manitoba, nous avons engagé des pourparlers pour l'aménagement d'un parc dans le secteur oriental de la province.

Au Nouveau-Brunswick, on reconnaît qu'il est souhaitable de créer un parc sur la côte

[*Texte*]

discussions on location are under way. In Nova Scotia, there is general agreement that a south coast area should be added to the park system and we are also discussing changes to Cape Breton Highlands Park which will make it larger and better.

The FRED agreement covering Prince Edward Island provides for a second park in that province and I have agreed with the Premier of Newfoundland on the principle that there should be a west coast park in that province. We are discussing details and hope to have an agreement soon. There will be surveys and planning work done in the selected area this summer and it should make a splendid addition to our parks system.

J'attache, monsieur le président, une très grande importance aux discussions en cours concernant la création d'un parc national dans la presqu'île de Forillon, le premier parc national au Québec. Plusieurs ministres fédéraux ont tenté avant moi, dans le passé, de convaincre le gouvernement de la province de Québec de l'opportunité de créer des parcs nationaux sur son territoire, mais toujours sans succès. Pourtant les bienfaits des parcs sont très évidents. L'aménagement d'un parc en Gaspésie complétera notre réseau transcontinental de parcs nationaux et nous permettra de conserver intact un coin très pittoresque du Canada pour le bénéfice des générations futures. Aujourd'hui, nous sommes plus près que jamais de la signature d'un accord entre les deux gouvernements intéressés. Je suis convaincu que nos discussions porteront fruit au cours des prochaines semaines, mais à condition qu'on ne les laisse pas s'embourber dans de stériles querelles constitutionnelles.

You have reviewed the estimates of the Historic Parks section of my Department so I will pass over that operation which I regard as being highly significant in enhancing our sense of national identity. The Canadian Wildlife Service is active this year. We have recently added 18,425 acres of land at Cap Tourmente on the St. Lawrence River to our holdings of land for wildlife conservation. This area is home for three or four months every year to 40,000 to 50,000 snow geese—the entire world population of this species.

This brings the Wildlife service land holdings to 38,295 acres and by the end of this fiscal year, the total will be 48,295. All this land is essential for preservation and perpetuation of one of our greatest assets, our wildlife. The wetland leasing program is going well and we now have 61,360 acres

[*Interprétation*]

est et les pourparlers au sujet de son emplacement sont en cours. En Nouvelle-Écosse, on admet généralement qu'il faudrait adjoindre au réseau actuel de parcs le littoral sud. Nous y étudions également la possibilité d'agrandir et d'améliorer le parc du Cap-Breton.

L'accord FRED relatif à l'Île-du-Prince-Édouard y prévoit l'aménagement d'un second parc. J'en suis venu à un accord de principe avec le premier ministre de Terre-Neuve sur la nécessité d'y implanter un parc sur la côte ouest. Nous en sommes à la phase des discussions de détail et espérons aboutir bientôt à un accord. Cet été les zones choisies feront l'objet d'études diverses et de tout un travail de planification. Il devrait donc en résulter un magnifique apport à notre réseau actuel de parcs.

Mr. Chairman, I attach great importance to the discussions that are being held concerning the establishment of a National Park in the Forillon Peninsula, the first National Park in Quebec. Several Federal Ministers before me have tried, in the past, to stress to the Quebec Government the desirability of establishing National Parks in its territory, but always without success. However, the benefits of the parks are quite evident. The establishment of a park in the Gaspésie area will complete our transcontinental network of National Parks, enabling us to preserve in its original condition a very picturesque corner of Canada for the benefit of future generations. Today, we are much closer than ever to the signing of an agreement between the two Governments in question. I am convinced that our discussions will bear fruit during the next weeks, provided they are not permitted to bog down in sterile constitutional quarrels.

Vous avez déjà passé en revue les prévisions budgétaires de la Division des parcs historiques nationaux de mon ministère. Je vais donc laisser de côté cette question qui, selon moi, revêt une importance extrême dans l'exaltation de la conscience de notre identité nationale.

Le Service canadien de la faune a fait preuve, cette année, de beaucoup d'activité. Nous avons agrandi de 18,425 acres nos domaines du cap Tourmente, sur le Saint-Laurent, que nous avons constitués en réserve de la faune. Pendant trois ou quatre mois par an, cette région sert d'habitat à quarante ou

[*Text*]

under lease and will add this year another 32,000.

We conserve our natural life, we preserve and protect the elements of land which are our heritage because we know that man needs these things as greatly as he needs the material things of life. I am concerned about how far from his natural heritage man can drift in this world of change. Canada is becoming more and more a land of urban people. We are all deeply affected by our surroundings and in this urbanization Canadians need the outdoors, they need parks and they need wildlife more than they ever did before.

• 1135

I am concerned with the question of the quality of our environment, with the factors which are being disturbed and the implications of these changes. In the months ahead, I intend to look at the ways we can diversify and expand our system of national parks, historic sites and wildlife conservation, so that we can ease the pressure modern life is placing on our national environment.

Mine is a large and diverse Department. Its work is constructive and covers a wide field—the constructive work to help the Indian people to achieve equality, the constructive work of developing the North, the constructive work in the field of conservation—parks, history and wildlife.

It is a Department of which I am proud and where much that is important can and should be done.

The Chairman: Thank you very much, Mr. Minister. Mr. St. Pierre.

Mr. St. Pierre: Thank you, Mr. Chairman. Mr. Minister, my question is in regard to your statements on Arctic sovereignty. You say our sovereignty over the Canadian territory in the North is in no way threatened. I am concerned about the matters of territorial waters in the North, specifically in regard to

[*Interpretation*]

cinquante mille oies blanches, c'est-à-dire à toute la population mondiale de cette espèce. Cela porte à 38,295 acres la surface des domaines du Service de la faune. A la fin de la présente année financière, le total en sera porté à 48,295. Toutes ces terres sont indispensables pour la conservation et la perpétuation d'un de nos patrimoines les plus importants, la faune. Quant au programme de location de terres marécageuses, il se poursuit dans de bonnes conditions. Actuellement, nous détenons à bail une superficie de 61,360 acres, à laquelle nous ajouterons 32,000 acres, au cours de l'année.

Si nous protégeons la faune de notre pays, si nous préservons les terres qui constituent notre patrimoine, c'est que nous savons que l'homme en a besoin tout autant que de ce qui assure sa vie matérielle. Je suis préoccupé de voir combien l'homme, dans ce monde en évolution, finit par s'éloigner de son patrimoine naturel. Le Canada se transforme de plus en plus en un pays de citadins. Le milieu où nous vivons, a une influence profonde sur nous et ce phénomène d'urbanisation va changer nos concitoyens. En cette période de confusion, ils ont besoin de la nature, ils ont besoin de parcs, ils ont besoin, pour se retrouver eux-mêmes, de voir la vie s'ébattre librement. Je m'inquiète de constater quel milieu nous entoure, je m'inquiète du bouleversement des choses et de leurs répercussions. Il nous faudra bien nous pencher sur tous les problèmes que pose cette évolution. Le rôle qui nous revient, il ne nous appartient pas de l'esquiver.

Voilà un long discours. C'est que les tâches de mon ministère sont multiples et de grande envergure. Dans de vastes domaines, il doit accomplir un travail constructif. Un travail constructif pour aider les Indiens à obtenir l'égalité sociale, un travail constructif pour mettre en valeur le Grand Nord, un travail constructif encore sur le plan de la conservation: parcs, lieux historiques, faune.

C'est un ministère dont je suis fier.

Le président: Merci beaucoup, monsieur le ministre. Monsieur Saint-Pierre.

M. Saint-Pierre: Merci, monsieur le président. Monsieur le ministre, ma question concerne la déclaration que vous avez faite au sujet de la souveraineté canadienne sur les territoires arctiques. Vous avez dit que notre souveraineté sur le territoire canadien, dans le Nord, n'est aucunement menacée. Je m'in-

[*Texte*]

the Manhattan project. The *Manhattan* I believe will be accompanied by an American para-military vessel, a coastguard ship called the *Westwind*. Do you know if she will or not?

Mr. Chrétien: On this question of sovereignty in the North we have had a discussion in the Cabinet and the Prime Minister said in the House of Commons that he intends to make a statement about it and will cover all aspects of the North. I agree with you that some people have raised questions about it. I said before, and I repeat, that there is no doubt in the mind of anyone that the islands in the North are Canadian territory. There is no doubt at all that the Continental Shelf is owned by Canada.

Everyone who goes to the North recognizes that. There is not a company that has tried to do anything in the North without getting a permit from the federal government of Canada.

These companies are either French, American, Canadian or from elsewhere; they have to face that fact and nobody has challenged our authority to issue a permit, either on the islands or even when they want to go under the water on the Continental Shelf, so I do not think that this is open to question. The only question open to discussion is the territorial waters. This question is not a problem that we face only in the North. It is a problem that we face everywhere in Canada. We have that problem on the West Coast and we have that problem on the East Coast; wherever we have to establish where the Canadian waters finish and the international waters begin. So we face the same problem in the North.

It is a matter of international law which is discussed everywhere in the world. There are a lot of problems in other countries about where the territorial waters begin or finish. Reading the press you see that problem going on in a lot of countries in the Pacific and in the Atlantic ocean. This is quite a complex problem and the problem we face in the North with the territorial waters is the same problem that we face elsewhere in Canada.

As I said, the Prime Minister intends to make a statement on that soon. But as far as the land and the resources are concerned, there is no doubt in the mind of people around the world that the North is the Canadian North.

[*Interprétation*]

quiète de la question des eaux territoriales dans le Nord, en particulier pour ce qui est du projet Manhattan. Je pense que le *Manhattan* va être accompagné par un navire paramilitaire américain, le *Westwind*, un garde-côte. Êtes-vous au courant de cela?

M. Chrétien: Au sujet de cette question de souveraineté dans le Nord, nous avons eu une discussion au sein du conseil des ministres, et le premier ministre a dit à la Chambre des communes qu'il avait l'intention de faire une déclaration là-dessus et qu'il traiterait de tous les aspects du Nord. Je suis d'accord avec vous: il y a des gens qui soulèvent des questions, qui posent les questions à ce sujet. J'ai déjà dit, et je répète, qu'il n'y a pas de doute dans l'esprit de qui que ce soit que les îles du Nord sont en territoire canadien. Il n'y a pas de doute que le plateau continental est la propriété du Canada.

Quiconque va dans le Nord le reconnaît. Pas une compagnie n'a essayé de faire quoi que ce soit dans le Nord, avant d'avoir obtenu un permis du gouvernement du Canada.

Ces compagnies peuvent être françaises, américaines, ou canadiennes, ou autres, elles reconnaissent ce fait, et personne n'a jamais contesté notre autorité à émettre un permis, soit pour aller dans les îles, ou même sous l'eau, sur le plateau continental. Je ne crois pas alors devoir en discuter. La seule question qui peut être discutée, c'est la question des eaux territoriales. Cette question n'est pas un problème qui se pose dans le Nord, c'est un problème qui se pose partout au Canada. Vous avez ce problème sur la côte du Pacifique, sur la côte de l'Atlantique, partout où il faut établir où se terminent les eaux canadiennes et où commencent les eaux internationales. Donc, on doit affronter le même problème dans le Nord.

C'est une question de droit international dont on discute partout dans le monde. Il y a beaucoup de problèmes dans d'autres pays, à savoir où commencent les eaux territoriales et où elles se terminent. Si vous lisez les journaux, vous voyez que le problème se pose dans bien des pays, du côté de l'Atlantique et du Pacifique. Donc, c'est un problème assez complexe et celui que nous avons à affronter dans le Nord, avec les eaux territoriales et le même qu'il faut affronter ailleurs au Canada.

Comme je l'ai dit, le premier ministre a l'intention de faire une déclaration à ce sujet, bientôt. Mais pour ce qui est des terres et des ressources, il n'y a pas de doute dans l'esprit des gens, partout dans le monde, sur le fait que le Nord canadien appartient au Canada.

[*Text*]

Mr. St. Pierre: Yes. I believe there is not much dispute in the matter of the land. However, precedent does play some part in the establishment of these things and time is running out in regard to the Manhattan project. If the *Manhattan* moves through and if the American coastguard ship *Westwind* moves through and establishes a certain precedent, it will have an effect on our legal position, I believe.

Mr. Chrétien: The *Manhattan* and the coastguard vessel of the United States are coming into the Canadian North with the consent of the federal government and they will be accompanied by a Canadian icebreaker.

• 1140

They have been in touch with the authorities of the Department of Transport and it may be that they have been in touch with my Department, too. So they have recognized *de facto* that they are coming into Canadian waters.

Mr. St. Pierre: Well, this is the specific question I wanted to ask, Mr. Chrétien. I realize that the Manhattan people, the Humble Oil people, have been in touch with the government many times, but I specifically wanted to know whether the American government notified us that the *Westwind* would be passing through or asked our permission.

Mr. Chrétien: I am informed there was discussion between the American coastguard and our coastguard so I think they asked for permission to come and we gave permission for them to be here.

Mr. St. Pierre: It is a fairly important difference whether they notified us or made a request of us, and that is the nub of my question.

Mr. J. A. MacDonald (Deputy Minister, Indian Affairs and Northern Development): The obligation is for notification and we had ample notification. From the very beginning of this project, there has been intimate discussion between the various levels of government.

Mr. St. Pierre: Of course, the American coastguard *Northwind* notified the Russians in 1966-67 that they would be passing through the Russian sector across the top of Siberia. The Russians informed them that their vessel would be seized and they would not be permitted to enter, so notification does not always work.

Mr. Chétien: They gave notification and we gave permission for them to come; that is the difference.

[*Interpretation*]

M. Saint-Pierre: Oui, il n'y a pas de doute, pour ce qui est des terres. Mais les précédents jouent quant même un rôle dans l'établissement de ces questions et le temps passe vite pour ce qui est du projet Manhattan. Si le *Manhattan* s'y rend, et si le garde-côte américain, *West Wind*, établit un précédent, cela va avoir une certaine répercussion sur notre position juridique, je pense.

M. Chrétien: Le *Manhattan* et le garde-côte américain viennent dans le Nord du Canada avec l'approbation du gouvernement fédéral, et ils seront accompagnés par un brise-glace canadien. Ils sont entrés en contact avec le ministère des Transports et peut-être aussi avec mon ministère. Donc, par le fait même, ils ont reconnu qu'ils viennent dans les eaux canadiennes.

M. St-Pierre: C'est la question que je voulais poser monsieur Chrétien. Je crois comprendre que les responsables du projet Manhattan et les gens de la *Humble Oil* sont entrés en contact avec le gouvernement à plusieurs reprises, mais je voulais surtout savoir si le gouvernement américain nous a avisé du passage du *West Wind* ou s'il a demandé l'autorisation du Canada?

M. Chrétien: On me dit qu'il y a eu des discussions, entre les gardes-côtes américains et canadiens. Donc, je pense qu'ils ont demandé l'autorisation de venir et que nous la leur avons accordée.

M. St-Pierre: C'est une différence assez importante, à savoir s'ils nous ont avisé ou s'ils nous ont demandé l'autorisation. Voilà le sens de ma question.

M. J. A. MacDonald (sous-ministre, Affaires indiennes et du Nord canadien): Ils sont obligés de nous en aviser, et ils l'ont fait longtemps à l'avance. Dès la conception du projet, il y a eu des discussions à tous les niveaux de gouvernement.

M. St-Pierre: Il est vrai que le garde-côte américain *North Wind* a avisé les Russes en 1966-1967 qu'il traverserait le secteur russe au nord de la Sibérie. Les Russes leur ont répondu qu'ils saisiraient le navire et qu'on ne leur permettrait pas de passer. Donc un avis ne fonctionne pas toujours.

M. Chrétien: Ils nous ont avisé et nous leur avons donné l'autorisation de venir; voilà la différence.

[*Texte*]

Mr. St. Pierre: It was permission and was so worded?

Mr. MacDonald: I think one has to be careful here. There is the right of innocent passage, you must recall.

Mr. St. Pierre: Not necessarily for military vessels.

Mr. MacDonald: No, but this is covered by the agreements between Canada and the United States. There is a movement of military vehicles within Canadian territory and airspace and it is covered under the PJBD agreements and the requirement is for notification. We had ample notification. Of course, the issue of not permitting has never arisen because frankly we have enthusiastically welcomed this development as having great value to the Canadian North. We have been working co-operatively with them since the very beginning of the program.

Mr. St. Pierre: I have one associated question, I do not want to take up too much time, Mr. Chairman. Will all the scientific material gathered by the *Manhattan* be made available to Panarctic or to any other agency of the federal government?

Mr. Chrétien: Mr. St. Pierre, we are satisfied that we will get all the information we need. There is no problem about it. We have many ways of getting it and I am sure that we will get it.

Mr. St. Pierre: Thank you, Mr. Chairman.

Mr. Yewchuk: I want to ask a couple of qustions about the consultations with the Indians with regard to proposing changes in the Indian Act. You made a statement that consultation is a seeking of advice and that you were going to announce a policy in June. Will this announcement consist of what your proposed changes in the Indian Act are?

Mr. Chrétien: The statement that I intend to make in June will be a general statement on policy; the philosphy and the orientation of the new relations between the federal government and the Indians, the place of the Indian in the Canadian society and so on. I will cover the question of their lands and their treaties and see what the views of the government are on that. It will take the form of a policy statement or perhaps a White Paper.

[*Interprétation*]

M. St-Pierre: Était-ce une permission et était-elle ainsi rédigée?

M. MacDonald: Je crois que nous devons tenir compte du fait qu'il s'agit d'un droit de passage.

M. St-Pierre: Pas nécessairement pour des navires de guerre.

M. MacDonald: Non. Mais ceci est visé par un accord entre le Canada et les États-Unis. Il existe un mouvement d'appareils militaires sur le territoire et dans l'espace aérien du Canada et cela est prévu dans les accords du comité conjoint permanent de défense, et cela implique l'avis préalable. Nous avons été avisés longtemps d'avance. Bien sûr, il n'a jamais été question d'interdire le passage, parce que nous avons accueilli cet accord avec enthousiasme, étant donné sa valeur pour les régions du Nord. Nous n'avons cessé de collaborer avec eux dès le début.

M. St-Pierre: Une question connexe. Je ne veux pas prendre trop de temps, monsieur le président. Les données scientifiques, recueillies par le projet Manhattan, seront-elles accessibles à *Panarctic* ou à toute autre organisme du gouvernement fédéral?

M. Chrétien: Monsieur St-Pierre, nous sommes certains que nous aurons tous les renseignements dont nous aurons besoin. Il n'y a pas de problème de ce côté-là; nous disposons de bien des moyens pour obtenir les renseignements et nous sommes certains de les obtenir.

M. St-Pierre: Merci, monsieur le président.

M. Yewchuk: Merci, monsieur le président. Je voulais poser une ou deux questions au sujet des consultations qui ont eu lieu avec les Indiens, relativement aux modifications proposées à la Loi sur les Indiens. Vous avez fait une déclaration disant que la consultation est un moyen d'obtenir des conseils et que vous deviez annoncer une politique au mois de juin. Est-ce que cette annonce portera sur les modifications que vous vous proposez d'apporter à la Loi sur les Indiens?

M. Chrétien: La déclaration que j'ai l'intention de faire au mois de juin sera une déclaration générale de politique, une déclaration du principe de l'orientation des nouvelles relations entre le gouvernement fédéral et les Indiens, quel doit être le rôle des Indiens dans la société canadienne, etc. Je parlerai des territoires, des traités, et je dirai quelles sont les vues du gouvernement là-dessus. Il s'agira d'une déclaration de politique ou peut-être d'un Livre blanc. Vous comprenez, c'est très important.

[*Text*]

So we will make known to the Indians and the people of Canada what the future for Indians in our country will be. This statement will be distributed to all the Indian bands in Canada and all the chiefs and all the Indian leaders; to all members of Parliament, of course, because it will begin in the House of Commons. After that we will be in touch with the different Indian organizations to ask their views about it and to discuss these things.

• 1145

We will make reference to the legislation that we propose to table next fall or later and, of course, the legislation will be studied by the House of Commons. It will be the House of Commons that decides what legislation will govern the problem of Indian affairs in the country.

Mr. Yewchuk: Have you had an opportunity to meet with the national committee consisting of six delegates which was elected at this national meeting a couple of weeks ago?

Mr. Chrétien: Up to now, I have not had the occasion to meet with them. I met each of them last week when they were in Ottawa. I said that I would meet with them later, but they have not been in touch with me yet. I do not know if they have a chairman and so forth. They have decided that this committee of six will be a subcommittee of the Indian Brotherhood of Canada.

When they came to me with that resolution I told them that they had come to Ottawa in December and had asked me to recognize the National Indian Brotherhood as a kind of official spokesman for the Indians, then they came last week with another group. One of the problems we face is that often there are the same people in such groups but on a different legal basis. So I told them to make up their minds whether they wanted two different national associations. So they met together and after that they came to me and said that the committee of six would be a subcommittee of the National Indian Brotherhood. I said that I would be glad to deal with them in the same way that I deal with the Indian Brotherhood.

Mr. Yewchuk: My understanding of the setting up of this committee is that it appears to

[*Interpretation*]

De toute façon, on fera connaître aux Indiens et à la population du Canada quelles sont les perspectives d'avenir des Indiens dans notre pays. A partir de cette déclaration, nous distribuerons à tous les Indiens, aux bandes Indiennes au Canada, aux chefs Indiens, aux députés, évidemment, parce que c'est une déclaration qui sera faite à la Chambre des communes. Et ensuite, nous entrerons en contact avec les différentes organisations Indiennes pour demander leurs opinions à ce sujet et pour discuter de ces questions. Il sera question des mesures législatives que nous nous proposons de déposer en Chambre à l'automne prochain ou plus tard et, bien sûr, le projet sera étudié par la Chambre des communes. C'est la Chambre des communes, qui en fin de compte, décidera de ce que sera la Loi qui gérera les problèmes des Affaires indiennes dans le pays.

M. Yewchuk: Avez-vous eu l'occasion de rencontrer le Comité national, composé de 6 délégués qui ont été élus à la réunion nationale il y a quelques semaines?

M. Chrétien: Jusqu'ici, je n'ai pas eu l'occasion de les rencontrer. Je les ai rencontrés séparément la semaine dernière, lorsqui'ls sont venus à Ottawa. Je leur ai promis que je les rencontrerai plus tard; mais ils n'ont pas établi de contact avec moi jusqu'ici et je ne sais pas comment ils sont constitués, je ne sais pas s'ils ont un président. Dans le moment, ils ont décidé que ce comité de 6 membres serait un sous-comité de la fraternité indienne du Canada.

Lorsqu'ils sont venus me rencontrer pour me présetner cette résolution, je leur ai dit qu'ils étaient venus à Ottawa, en décembre et m'avaient demandé de reconnaître la fraternité nationale des Indiens, comme étant le porte-parole officiel des Indiens, puis ils sont revenus la semaine dernière avec un autre groupe. Un des problèmes qui nous confronte est que bien souvent, les mêmes gens font partie de divers groupes, mais sur une base légale tout à fait différente. Par conséquent, je leur ai dit de se décider s'ils voulaient avoir deux associations nationales distinctes. Ils se sont réunis, après quoi, ils sont venus me dire que le comité des six membres serait considéré comme étant un sous-comité de la Fraternité nationale des Indiens. Je leur ai dit que je serais heureux de traiter avec eux de la même façon qu'avec la Fraternité des Indiens.

M. Yewchuk: L'établissement de ce comité, d'après moi, entre en conflit avec la déclara-

[*Texte*]

be in some conflict with the purpose of your statement in June. At this national meeting the Indians presented a proposal which was unanimously accepted by the entire group that they would rather develop their own proposals for changes than have the government develop proposals and present them for a yes or no answer.

Mr. Chrétien: Yes, but we have to be realistic about it. The Indian Act or any legislation that we propose will be an act of the Parliament of Canada. They can draft an Indian act if they want and we will study the one that they propose to us. During the last year they made a number of recommendations in all these consultations, but we as government have to make the decisions.

We cannot put aside the problem of the Indians and say that we will wait until they will give us some other proposals and so on. We have to make up our minds and consult with them after that. The responsibility of the Indian Act is a federal responsibility and we have to face that responsibility. Everyone agrees that we have to make a lot of changes in the Indian Act because there are things that we have to scrap. I mentioned earlier when I appeared before the Committee, that there are a lot of things in the Indian Act that we cannot accept in the present day situation.

In the Indian Act there are 135 clauses and I think 111 of them mention that the Minister "must" and "shall" and "will" and so on, do this for the Indians. I think the Indians are able to make their own decisions and we have to change the pattern to permit the Indians to make their own decisions at the band level and so on. For example, when an Indian wants to borrow $3,000 or $4,000 from CMHC I have to sign the document. We have to change that kind of thing, and I am ready to change it today. I would not wait for years to do that sort of thing.

We have consulted with the Indians over a period of a year. We have had discussions with them, we have had all sorts of meetings. We had a meeting of the National Indian Brotherhood in December. We have covered all the problems. We had another conference in Ottawa with representatives from all across Canada. Now, they are waiting for us to begin talking. So we will tell them in June what the plans of the government are for the

[*Interprétation*]

tion que vous allez faire au mois de juin. Lors de ce congrès national, les Indiens ont présenté une proposition qui a été acceptée à l'unanimité par tout le groupe; selon cette proposition, les Indiens aimeraient présenter leurs propres propositions de changements plutôt que de laisser le gouvernement tout mettre au point et leur demander d'accepter ou de rejeter ces propositions.

M. Chrétien: Vous comprenez, il faut être réaliste. La Loi sur les Indiens, ou toute mesure législative que nous avons l'intention de proposer, est une législation du Parlement du Canada. Ils peuvent rédiger une Loi sur les Indiens, s'ils le veulent, et nous l'étudierons. Depuis un an, ils ont fait un certain nombre de recommandations au cours de toutes ces consultations, mais c'est à nous, en tant que gouvernement, qu'il incombe de prendre une décision.

Vous comprenez, nous ne pouvons pas mettre de côté le problème des Indiens et dire que nous allons attendre qu'ils nous fassent d'autres contre-propositions. Ce qu'il faut faire, c'est prendre une décision et les consulter après cela, parce que la responsabilité de la loi des Indiens incombe au gouvernement fédéral et il nous faut affronter cette responsabilité. Tout le monde est d'accord pour dire qu'il y a beaucoup de changements à apporter à la Loi sur les Indiens. Il y a beaucoup de choses à ajouter encore. Je l'ai déjà mentionné plus tôt, lorsque j'ai comparu devant le Comité, qu'il y a bien des choses dans la Loi sur les Indiens que nous ne pouvons accepter aujourd'hui.

Quand on pense qu'il y a 135 articles dans la Loi sur les Indiens dont 111 mentionnent que le ministre doit, fera ceci ou cela pour les Indiens. Je pense que les Indiens sont capables de prendre leurs propres décisions et il faut les laisser changer les choses, prendre les décisions qui les concernent, qui concernent les bandes, etc. Par exemple, lorsqu'un Indien veut emprunter $3,000 ou $4,000 de SCHL, c'est moi qui doit signer le document. Nous devons changer ces choses-là et je suis prêt à changer cela dès aujourd'hui. Je ne peux pas attendre des années pour faire ce genre de choses. Nous avons eu des consultations avec les Indiens pendant un an. Nous avons eu des discussions avec eux, et toutes sortes de réunions. Nous avons rencontré la Fraternité nationale des Indiens en décembre, et avons passé en revue tous les problèmes. Nous avons eu une autre conférence à Ottawa avec les représentants de toutes les régions du Canada. A présent, ils attendent que nous amorcions les discussions. Par conséquent, au

[*Text*]

future for Indians and we will consult them about the implementation of these policies.

Mr. Yewchuk: One of the big complaints that Indians have had in the past and one of the reasons they give for programs set up by a government or a white group not working in the past to the advantage of the Indian is because a decision was made by government and then handed to them for their approval or disapproval, but most often they were just told that this was the program and they were going to accept it.

My understanding is that the Indians at the present time do not really feel that they have had sufficient time to make up their mind exactly what it is that they want and they were asking the government to appropriate funds for this Committee to carry out activities which would help them to draw further conclusions on what the Indian people want so that their own act can be set up which will govern their lives in the future. My impression is that they are not prepared at this time to accept something handed down to them again. What is your feeling on this?

Mr. Chrétien: I agree that they should have some help. I told the Indian Brotherhood in December that I would help them to get organized. I am working on a formula to give more funds to the National Indian Brotherhood of Canada and the provincial associations to help them get better organized.

I understood you to say that we should let them draw up a new Indian act. They can make all the recommendations they want and we will listen to them. We have given them many opportunities to make their views known. Now we have to say where we are going. They will have help from us in looking into the policy to see whether or not they like it. But in the last analysis it is going to be the Government of Canada and the Parliament of Canada who will pass the laws. There is no other way. You cannot let the Indians vote themselves their own Indian act. It must be a law of government, and I think they will understand that.

You must agree that this is the first time in years that we have established so much contact with the Indians. These consultations have been very useful. They have expressed their views on all aspects governing their lives. They have spoken clearly and loudly and the message has been heard by all of us in Canada and by the government. Now we have to respond to that, and we will give

[*Interpretation*]

mois de juin, nous leur dirons quels sont les plans d'avenir du gouvernement pour les Indiens et nous les consulterons sur les moyens pour appliquer ces politiques.

M. Yewchuk: Un de leurs plus importants griefs dans le passé, et une des raisons qu'ils donnent à l'échec des programmes du gouvernement ou de l'homme blanc, c'est que ces programmes ont été établis par le gouvernement et, ensuite, soumis à l'approbation des Indiens. Très souvent, ceux-ci devaient accepter les programmes.

Si j'ai bien compris, dans le moment, les Indiens n'ont pas vraiment l'impression qu'ils ont eu suffisamment de temps pour décider exactement ce qu'ils voulaient et ils demandent au gouvernement d'accorder des fonds pour permettre à ce Comié d'entreprendre des activités qui leur permettraient de tirer d'autres conclusions sur ce qu'ils veulent pour qu'on puisse rédiger leur propre loi, loi qui réglementera leur vie à l'avenir. J'ai l'impression que les Indiens ne sont pas prêts à accepter qu'on leur impose quelque chose encore une fois. Qu'en pensez-vous?

M. Chrétien: Je suis d'accord, on devrait les aider. J'ai dit à la Fraternité des Indiens en décembre que je les aiderais à s'organiser. J'étudie actuellement une formule qui permettrait d'accorder plus de fonds à la Fraternité nationale des Indiens du Canada et aux associations provinciales, afin d'aider à leur organisation.

Si j'ai bien compris, vous dites qu'on devrait leur laisser rédiger une nouvelle loi sur les Indiens. Ce sont eux qui feront toutes les recommandations, et nous allons les écouter. Nous leur avons donné bien des occasions de faire connaître leur opinion. Maintenant, nous devons leur dire où nous allons. Nous allons les aider à étudier la politique pour voir s'ils sont d'accord. En fin de compte, c'est le gouvernement du Canada et c'est le Parlement du Canada qui va adopter la loi. Il n'y a pas d'autre moyen. On ne peut pas laisser les Indiens adopter eux-mêmes leur propre loi. C'est le gouvernement qui doit agir et ils le comprennent.

Vous devez reconnaître que c'est la première fois depuis des années que nous avons lié des contacts aussi nombreux avec les Indiens. Ces consultations ont été extrêmement utiles. Ils ont exprimé leurs opinions sur tous les aspects de leur vie. Ils se sont fait entendre clairement, et le gouvernement et le Canada ont saisi le sens de leur message. Maintenant, il faut que le gouvernement

[*Texte*]

them the opportunity of making their views known concerning our response.

I told them that there would be more consultations but you know, we cannot always work in the air—we must now lay the groundwork to continue our consultations.

Mr. Yewchuk: I agree with the fact that these consultations have been really the best thing that has ever been done but I also think that many Indian people feel that these consultations are only initial, that they have to be followed up.

Mr. Chrétien: I told them there would be other rounds of consultations, that it was useful process. There will be some consultations at the national level but mostly at the provincial level where they have a lot of problems to cope with.

One of the problems of the Indians now is that their relationship with the federal government is very close. But when you are an Indian you are not less a citizen of a province, and this is one of the problems that we must cope with. We should try to make sure that they become full citizens of the provinces the same way that they are full citizens at our level.

Mr. Yewchuk: Do I take your reply to mean, Mr. Minister, that you do plan to appropriate funds for this committee of six to carry out its intended function?

Mr. Chrétien: There will be funds available to the Indian Brotherhood. As I said, it is a subcommittee of the International Indian Brotherhood and they will decide upon the appropriation of their own funds. But I will look into their request and, if I have to give them more funds, I will agree to do so. However, I have not committeed the government to any sum of money—I have still to look into that.

• 1155

Mr. Yewchuk: I have one more brief question, Mr. Chairman, and it pertains to industrial development in parks, on which there has been much discussion. What are your thoughts concerning a change in the national parks policy to allow industrial development within a park. I have in mind, as an example, Wood Buffalo Park in northern Alberta. There are a lot of gypsum deposits there and a private company is expressing much interest in developing these. This would provide a lot of employment and would not interfere too much with the natural appearance of the park. What is your view on that, Mr. Minister?

[*Interprétation*]

réponde et nous allons leur permettre de faire connaître leur opinion sur notre réaction.

Messieurs, je me suis engagé à avoir d'autres consultations, je le leur ai dit. Mais vous le savez, il faut présenter quelque chose de concret, notre travail de base pour poursuivre les consultations.

M. Yewchuk: D'accord, les consultations sont probablement la meilleure chose qu'on ait jamais faite. Toutefois, je dois dire que beaucoup d'Indiens estiment que c'est là simplement une étape préliminaire, qu'il faut poursuivre dans cette voie.

M. Chrétien: Je leur ai dit que c'était un processus utile, qu'il y aurait d'autres consultations. Il y aura d'autres consultations sur le plan national, mais c'est surtout au niveau provincial que beaucoup de problèmes se présentent.

Un des problèmes dans le moment est que les Indiens sont en relation étroite avec le gouvernement fédéral. Mais les Indiens n'en sont pas moins citoyens d'une province, et c'est un des problèmes qu'il faut affronter. Nous devons veiller à ce qu'ils deviennent citoyens à part entière des provinces, tout comme ils sont citoyens fédéraux.

M. Yewchuk: Si je comprends bien, monsieur le ministre, vous avez l'intention d'affecter des fonds à ce Comité de six membres pour qu'il puisse remplir ses fonctions.

M. Chrétien: On accordera des fonds à la Fraternité des Indiens. Comme je l'ai dit, il s'agit d'un sous-comité de la Fraternité internationale des Indiens, et ce sont eux qui repartiront leurs fonds. Je vais étudier leur demande, et si je dois leur donner plus, je le ferai. Je n'ai pas engagé le gouvernement à verser une somme quelconque, il faudra aviser.

M. Yewchuk: Une seule brève question, monsieur le président. Il s'agit du développement industriel dans le parc, dont on a beaucoup parlé. Quelle est votre opinion sur l'idée de changer la politique des parcs nationaux pour y permettre le développement industriel? Je pense, par exemple, au parc Wood Buffalo, dans le nord de l'Alberta. Il y a là des gisements de gypse, et une certaine entreprise privée est très intéressée à les exploiter. Ceci créerait de nouveaux emplois sans trop nuire à l'apparence du parc. Monsieur le ministre, que pensez-vous de cette idée?

[*Text*]

Mr. Chrétien: I think that a national park is a national park and you should not permit development of industry or this sort of thing in a park. These lands have been put aside to permit the people of tomorrow to have some place to enjoy nature, and we have to keep these places green.

When national parks are established provinces, who have control over the natural resources, have a say and, where national parks are established, the provinces have said that the conservation aspect of a park is more important than possible mining or other industrial development that can occur. The experience in the States reminds us that we must be quite doctrinaire about it. In the United States today they are spending millions and millions of dollars of public money trying to buy back land that they had let go in the past because they did not have the wisdom to put that land aside. We in Canada are in the fortunate situation of having vast unspoiled areas and we must do everything possible to put these aside for future conservational programs.

The main purpose of the park is conservation but in terms of tourism it is becoming more and more important. In your own Province of Alberta there was a large increase in the number of tourists last summer visiting the national park to enjoy nature there. Probably 60 to 70 per cent of the visitors in Alberta last summer came from the United States. I am informed that in the United States they are reaching a situation now where they have to wait days and weeks before they can find a place where they can park their trailers and so on in an American national park.

So if we plan carefully and wisely in Canada, apart from having a great effect on conservation we will use it as a very good tool for the tourism industry in the future. That is why we must be careful. If we begin to let go one per cent of our parks each year, in 100 years from now we will not have any more national parks. But sometimes we must face special situations. I am not that doctrinaire as to be completely blind. But I think that if we act with wisdom today, in two centuries from now the people will say that we have been wise in our decisions. We must alwqys keep that in mind. We should not always think too much in terms of the immediate interests because if we are smart it is our sons who will benefit.

Mr. Yewchuk: Thank you, Mr. Chairman.

Mr. Marchand (Kamloops-Cariboo): I have a supplementary question. One of the prob-

[*Interpretation*]

M. Chrétien: Un parc national est un parc national, et on ne doit pas permettre le développement d'industries ou de choses de ce genre dans un parc. Ces territoires ont été réservés pour l'avenir pour permettre aux populations de demain de profiter de la nature, et il faut que ces endroits restent verts.

Lorsque nous décidons d'établir un parc national, la province, qui a compétence en matière de ressources naturelles, a son mot à dire, et quand on aménage un parc national, c'est que la province avait décidé que l'aspect conservation d'un parc était plus important que l'exploitation minière ou tout autre développement industriel qui peut se présenter.

Actuellement, aux États-Unis, on dépense des millions et des millions de dollars de fonds publics pour racheter des territoires qu'on avait cédés dans le passé parce qu'on avait pas eu la sagesse de les réserver. Au Canada, la situation est heureuse; nous avons de grandes régions qui n'ont pas encore été touchées et nous devrions avoir la sagesse de les réserver pour l'avenir, dans les cadres d'un bon programme de conservation.

Le parc sert principalement à la conservation, mais le tourisme y gagne en importance. Dans notre province, l'Alberta, il y a eu augmentation du nombre de touristes l'été dernier, touristes qui sont venus jouir de la nature dans le parc. Il y a probablement de 60 à 70 p. 100 des visiteurs en Alberta l'été dernier qui venaient des États-Unis. Aux États-Unis, on me dit qu'il faut attendre des jours et des semaines avant de pouvoir obtenir un petit coin pour placer sa remorque dans un parc national.

Si nous sommes capables de planifier et d'agir avec sagesse au Canada, en plus d'assurer la conservation, nous pourrons nous servir des parcs comme élément profitable pour le tourisme dans l'avenir. C'est pourquoi il nous faut faire bien attention. Si nous commençons à céder des parcelles de terrains d'une année à l'autre, éventuellement il n'y aura plus un seul parc au Canada. Toutefois, il y a souvent des situations spéciales. Je ne suis pas doctrinaire au point d'être complètement aveugle, mais je dis que si nous sommes sages aujourd'hui, d'ici deux siècles, les gens diront que nous avons eu la sagesse de conserver ces territoires. Je pense qu'il faut nous en rappeler et ne pas songer seulement à l'intérêt immédiat, parce que si nous sommes bien avisés, nos enfants en profiteront.

M. Yewchuk: Merci, monsieur le président.

M. Marchand (Kamloops-Cariboo): Monsieur le président j'ai une question supplé-

[*Texte*]

lems related to this area that Mr. Yewchuk was talking about, where the gypsum deposits are, was that Chief Cowie and a group of Indians had occupied lands there, this was their tribal land which they had been occupying for some time and there was some difficulty with obtaining settlement under their treaty. I wonder if this problem has been resolved and with what results?

Mr. Chrétien: The problem is not resolved yet but we are working on it. I think that perhaps this is a special case because of the history of the district and so on. We are looking into it and negotiating now to try to find a solution. I cannot report more than that to date.

Mr. Marchand (Kamloops-Cariboo): Do you have any more details on how you plan to resolve the problem?

Mr. J. A. MacDonald (Deputy Minister, Indian Affairs and Northern Development): I think that because of the historic right of the Indians to this tract of land the Minister's predecessor—and I think this Minister will probably agree too—have undertaken to convey the land back. However, it has to go through the Province of Alberta and we have to have a commitment from that province that they will in turn convey it to the Indians.

• 1200

Mr. Marchand (Kamloops-Cariboo): I hope it is resolved soon. I know that this has been a pretty bad example of settlement of land under treaty obligations to the Indians.

Mr. MacDonald: As you know, the treaty obligation is against the province, but because of the transfer of resources agreement we cannot transfer the land from the National Park directly to the Indian Band. If we relinquish it for the purpose of the National Park it automatically reverts to the province. That is the difficulty right now. We have to reach a three-cornered agreement.

Mr. Marchand (Kamloops-Cariboo): I have one further supplementary question. Am I correct in supposing that the land that the Indians have occupied and are laying claim to takes in a lot of the gypsum area, or all of the gypsum area?

Mr. MacDonald: I think so; some of it.

The Chairman: Mr. Gundlock, another supplementary?

[*Interprétation*]

mentaire. Un des problèmes reliés à la question dont parlait M. Yewchuk, la question du gypse, est que le chef Cowie et un groupe d'Indiens ont occupé des terres qui leur appartenaient dans ces régions, et ils occupaient ces terres appartenant à la tribu, depuis un certain temps. Je sais qu'ils ont eu certaines difficultés à obtenir une entente en vertu de leur traité. Je voudrais savoir si ce problème a été réglé et quels étaient les résultats?

M. Chrétien: Le problème n'est pas résolu, mais nous y travaillons. Je pense que ce cas est un peu particulier à cause de l'histoire de ce district et le reste. Nous étudions la question, nous sommes en pourparlers pour tâcher de trouver une solution, mais c'est tout ce que je peux vous dire aujourd'hui.

M. Marchand (Kamloops-Cariboo): Avez-vous des détails sur la façon dont vous avez l'intention de résoudre le problème?

M. J. A. MacDonald (sous-ministre des Affaires indiennes et du Nord canadien): A cause du droit qu'ont les Indiens à cette parcelle de terre, et le ministre précédent, le ministre actuel est d'accord, avait entrepris de leur rendre ce territoire. Mais il faut qu'on ait l'autorisation de l'Alberta, il faut l'assurance que la province de l'Alberta cédera la terre aux Indiens à son tour.

M. Marchand (Kamloops-Cariboo): J'espère que la question va se résoudre bientôt, parce que je trouve que c'est un très mauvais exemple de règlement territorial aux termes des obligations des traités avec les Indiens.

M. MacDonald: Comme vous le savez, les engagements du traité sont au détriment de la province, mais à cause de l'accord sur le transfert des ressources, nous ne pouvons transférer les terres du Parc national directement à la bande indienne. Si nous les cédons pour le Parc national, elles reviennent automatiquement aux provinces. Voilà la difficulté en ce moment. Nous en sommes arrivés à un accord triangulaire.

M. Marchand (Kamloops-Cariboo): J'ai une autre question supplémentaire à poser. Ai-je raison de supposer que les terres que les Indiens ont occupées et qu'ils réclament englobent une grande partie de la région séléniteuse, sinon toute la région?

M. MacDonald: Je le crois, une partie.

Le président: Monsieur Gundlock, une autre question supplémentaire?

[*Text*]

Mr. Gundlock: The Minister mentioned the province of British Columbia. He may have had in mind the twinning of Waterton Lakes Park in the southeast corner of British Columbia.

Mr. Chrétien: I referred to Long Beach Park on the west coast of Vancouver Island. In the B.C. Legislature I think they are today on the third reading of legislation to permit us to get the land to make what will be a fantastic coastal park. I was there last fall. I found this area to be a fabulous one. It is the most western part of Canada. It is a very nice beach. If we develop it properly it will be a very good conservation program, because we will have a very nice beach; and it is going to be a very big tourist attraction.

Mr. Gundlock: Is that legislation broad enough to cover other areas in the future?

Mr. Chrétien: The legislation covered only the west coast area on Vancouver Island. We have worked out a plan by which we will immediately take over a part of the territory, and another big piece of land we will put aside for future development. The legislation covers only that area. It does not cover anything outside of this area on the west coast of Vancouver Island.

The Chairman: Mr. Orlikow?

Mr. Orlikow: Mr. Chairman, I am sure the members of the Committee know that, although the Minister is correct in saying that these are the longest consultations ever held with the Indians, the Indians have been saying repeatedly that to a large extent the consultations were pretty useless because the agenda to be discussed was developed unilaterally by the Minister and his department.

Mr. Chrétien: I wish to correct you on that. I do not want to let that statement pass. Last week when they came here I said to them, "There is only one thing. You prepare the agenda yourself. If you want me to be there, or if you want the officials of the department to be there, we will be there. If you do not want us there, we will not be there".

Mr. Orlikow: I am not talking about the meeting that was held last week. I do not propose to get into a long discussion about this. I am talking about the meetings which were held in the various areas.

[*Interpretation*]

M. Gundlock: Le ministre a mentionné la question de la Colombie-Britannique. Peut-être voulait-il gagner le parc de Waterton Lakes dans le coin sud-est de la Colombie-Britannique.

M. Chrétien: J'ai parlé du parc de Long Beach sur la côte ouest de l'île de Vancouver. A la législature de la Colombie-Britannique, je pense qu'ils en sont à la troisième lecture à une loi nous permettant d'acquérir le terrain pour aménager ce qui deviendra un parc côtier fantastique. J'ai visité l'endroit l'automne dernier. J'ai trouvé l'emplacement fabuleux. C'est le point le plus à l'ouest du Canada. La plage est très belle. Si on l'aménage comme il faut nous aurons un très bon programme de conservation vu que nous aurons une excellente plage; l'endroit deviendra un centre touristique.

M. Gundlock: Et si cette législation est suffisamment étendue pour prévoir d'autres régions dans l'avenir.

M. Chrétien: La loi ne s'applique qu'à la région sur la côte ouest de l'île de Vancouver. Nous avons établi un plan par lequel nous allons prendre immédiatement une partie du territoire et nous allons mettre de côté une autre grande surface de terrain en vue d'une expansion future. La législation ne s'applique qu'à cette région. Elle ne couvre aucun terrain au-delà de la côte ouest de l'île de Vancouver.

Le président: Monsieur Orlikow?

M. Orlikow: Monsieur le président, je suis sûr que les membres du Comité sont au courant que, bien que le ministre a raison de dire que ces consultations sont les plus longues que nous ayons jamais eues avec les Indiens, ces derniers ont dit à plusieurs reprises que, dans une large mesure, les consultations étaient peu utiles parce que l'ordre du jour à être discuté a été mis au point unilatéralement par le ministre et son ministère.

M. Chrétien: Je voudrais vous corriger. Je ne peux laisser passer une telle déclaration. Quand ils sont venus ici la semaine dernière je leur ai dit ceci: «Une seule chose, préparez votre ordre du jour vous-mêmes. Si vous voulez que je sois présent, que les hauts fonctionnaires soient présents, nous y serons. Mais si vous ne tenez pas à notre présence, nous nous abstiendrons.»

M. Orlikow: Je ne parle pas de la réunion qu'il y a eue la semaine dernière; je parle des réunions qui ont eu lieu dans diverses régions du pays. Est-ce que la déclaration que fera le ministre en juin traitera uniquement ou pri-

[*Texte*]

Is the statement which the Minister is going to make in June going to deal exclusively, or primarily, with changes in policies in relation to the Indian Act, or is it going to deal with other questions which the Indians think are important?

Mr. Chrétien: Yes; it will cover not only the Indian Act but the treaty question and the land question and all aspects of Indian problems. It will be a general statement on all the aspects of Indian policies.

Mr. Orlikow: As I understand it, Mr. Chairman, this is precisely the key to the difficulties which have arisen. It is the feeling of the Indians, certainly those from my province of Manitoba, that it is really pointless to discuss the changes in the Indian Act unless there is a clarification of the rights and claims of the Indians under the treaties.

• 1205

I think it can be easily substantiated that over the years, ever since the treaties were first signed, changes in the interpretation of the treaties have been made completely unilaterally by the federal government, without consultation with or the approval of, the Indians concerned.

Will the Minister's statement deal with the position of the government on the rights of the Indians as set out in the treaties which were signed with them many, many years ago?

Mr. Chrétien: Yes.

Mr. Orlikow: Will the government be dealing, for example, with the Indians' hunting and fishing rights?

Mr. Chrétien: Yes; I said that we will cover all aspects of the Indian problem.

Mr. Orlikow: If I may ask a specific question, Mr. Chairman, has the government made any approach to the United States government to try to rectify the effect of the Migratory Birds Convention Act which was negotiated by the governments of Canada and the United States without consultation with, or the approval of, the Indians, and the effects of which, as a result of decisions of the courts have been to infringe very seriously on the traditional rights of the Indians to hunt and fish as they desire?

Mr. Chretien: There were some consultations a few months ago with the United States government. As I said to the Indians when I had this consultation with them, during my few days' holiday in Mexico last January I took a day to visit the conservation authorities and those responsible in that government

[*Interprétation*]

mordialement des changements des politiques relatives à la Loi sur les Indiens, ou si elle traitera d'autres questions que les Indiens considèrent importantes.

M. Chrétien: Oui, ma déclaration ne se bornera pas seulement à la Loi sur les Indiens, mais s'étendra à la question des traités, des Territoires, et à tous les aspects des problèmes des Indiens.

M. Orlikow: Monsieur le président, je crois comprendre que c'est précisément là que se trouve la clef aux difficultés qui se sont posées. Les Indiens, ceux de ma province du Manitoba assurément, croient que c'est véritablement inutile de discuter des modifications à la Loi sur les Indiens, si l'on ne clarifie les droits et les griefs des Indiens dans le cadre des traités; je crois qu'on peut facilement prouver qu'avec les années, à partir du moment où les traités ont été signées, les changements dans l'interprétation des Traités ont été apportés de façon absolument unilatérale, sans consultation ni approbation de la part des Indiens en cause. La déclaration du ministre traitera-t-elle de la position du gouvernement en ce qui concerne les droits des Indiens dans le cadre des traités qui ont été signés avec eux il y a bien des années?

M. Chrétien: Oui.

M. Orlikow: Est-ce que le ministre va traiter des droits des Indiens, par exemple, en ce qui concerne leur droit de pêche et de chasse.

M. Chrétien: Oui. J'ai dit que nous toucherons à tous les aspects des problèmes des Indiens.

M. Orlikow: Puis-je poser une question précise? Est-ce que le gouvernement a pressenti le gouvernement américain pour essayer de corriger les effets de la Loi sur la convention des oiseaux migrateurs qui a été négociée par le gouvernement du Canada avec le gouvernement des États-Unis, sans consultation ni accord avec les Indiens, ce qui a eu pour effet, à la suite de décisions prises par les Tribunaux, d'empiéter sérieusement sur les droits traditionnels qu'ont les indiens de pêcher et de chasser comme il le désirent.

M. Chrétien: Je peux vous dire qu'il y a eu des consultations il y a quelques mois avec le gouvernement des États-Unis. Comme je l'ai dit aux indiens lorsque j'étais en consultation avec eux au cours de mes quelques jours de vacances au Mexique en janvier dernier, je suis allé visiter les autorités sur la conserva-

[*Text*]

for the implementation of that treaty, and I discussed the situation with them.

Mr. Orlikow: Mr. Chairman, can the Minister tell the members of the Committee if it is true, as has been claimed by representatives of the Indian people of Canada, that the United States authorities are not enforcing the provisions of the Migratory Birds Convention Act in relation to the Indian people of the United States?

Mr. Chretien: I will not comment on the way the Americans operate their law. They have their law. I do not know that precisely.

Mr. Orlikow: But, Mr. Chairman, if it is true that the United States is not enforcing the Convention Act in relation to American Indians, then surely, even though the courts may have ruled that Indians are covered by the provisions of the Convention, there is no law which forces the Canadian authority to charge the Indians if they violate its provisions. That is a matter of policy, not of law.

Mr. Chretien: Yes; but there is a treaty between the two countries, and I do not think it would be proper for me to comment on how the Americans implement their law.

If you have an opinion on it, you can express your views and I will listen, take notes and inquire, but I do not think it would be proper for me to say what the Americans are doing about it.

Mr. Orlikow: I am simply suggesting, Mr. Chairman, that we might well follow their policy and at least not enforce the law here. I suggest to the Minister that we ought not to enforce these laws without consultation with the Indians.

Mr. Chretien: I want to make one correction. Legally, the Indians do not have the right to kill migratory birds outside of the normal way, but most of the time we do not enforce the law. We do not put a lot of emphasis on making sure that the law is respected in the northern areas. The police do not go after the Indians too much for that. We have a very flexible attitude towards it.

• 1210

However, I hope this question will be covered in the statement I will make in June.

[*Interpretation*]

tion et les fonctionnaires qui, dans ce gouvernement, sont chargés de l'application de ce traité. J'ai pu discuter de la question avec eux.

M. Orlikow: J'ai pu discuter de la question avec eux. Est-ce que le ministre peut dire aux membres du comité si c'est vrai, comme le prétendent des représentants des indiens du Canada, que les autorités dans les États-Unis ne font pas respecter les dispositions des conventions de la Loi sur la convention sur les oiseaux migrateurs, qui concerne les Indiens des États-Unis.

M. Chrétien: Je ne peux commenter sur la façon dont les Américains appliquent leurs lois. Ce sont leurs lois. Je n'ai pas de précision à ce sujet.

M. Orlikow: Mais monsieur le président, si c'est vrai que les États-Unis n'appliquent pas la convention en ce qui concerne les Indiens américains, alors sûrement, même si les tribunaux ont décidé que les Indiens sont couverts par les dispositions de la convention, il n'y a aucune loi qui oblige les autorités canadiennes à porter des accusations contre les Indiens s'ils en violent les dispositions. C'est une question de politique et non de droit...

M. Chrétien: Mais il y a un traité entre les deux pays. Je ne crois pas qu'il m'appartienne de faire des commentaires sur la façon dont les américains appliquent la loi. Si vous avez un opinion à ce sujet vous pouvez exprimer votre point de vue, je ferai des recherches, mais il serait inconvenant de ma part de dire ce que font les États-Unis à ce sujet.

M. Orlikow: Je suis en train de proposer que nous pourrions suivre leur politique et ne pas appliquer la loi, ici au moins. Je dis au Ministre que nous ne devrions pas faire respecter la loi avant d'avoir consulté les Indiens.

M. Chrétien: Sans consultation avec les Indiens. J'aimerais corriger quelque chose. Juridiquement, les Indiens n'ont pas droit de tuer les oiseaux migrateurs par des moyens qui ne sont pas les méthodes normales, mais la plupart du temps nous n'appliquons pas la loi. Nous ne faisons pas tellement d'efforts pour savoir si la loi est respectée dans les régions du nord. La police ne poursuit pas les Indiens pour cela. Notre attitude est très souple en la matière. Cependant, j'espère que cette question sera couverte dans la déclaration que je ferai au mois de juin.

[*Texte*]

Mr. Orlikow: Mr. Chairman, the Indian Claims Commission has been with us, I suppose, for at least as long as I have been in Parliament. Can the Minister tell us, whether there will be some early action on the Indian Claims Commission?

I suggest to the Minister, Mr. Chairman, that favourable, early action by the government would go some considerable way to dispelling some of the doubts and suspicions which have been expressed so frequently in recent months by representatives of the Indian people. I wonder if the Minister can give us some idea when we will be getting something...

Mr. Chretien: In June, Mr. Chairman.

Mr. Orlikow: Mr. Chairman, I wonder if I could turn from the question of Indians for a moment to some of the problems we have in the North country. When will the Minister be making a statement with regard to the question of self-government in the North country, which is considered so important by the people there?

Mr. Chrétien: In my statement I said in a few weeks. I can tell you that this question has been before the Cabinet for some time. One of the problems I am faced with is quite complex. There will be a federal-provincial conference on the Constitution in June and we are dealing with this in the Cabinet committee. We have made some progress lately and I think with one more meeting I will be in a position to announce the new policy for the Yukon Territory and the Northwest Territories as far as the constitutional problem is concerned. I cannot give you a precise date but I think after one more meeting of the Cabinet committee I will be in a position to make this statement.

Mr. Orlikow: Mr. Chairman, I am not so concerned about the constitutional problem, but I suppose even before the Carrothers Commission made its report there have been ..

Mr. Chrétien: It will be right up to date. The statement will refer to the Carrothers report and it will deal with all the problems that are mentioned.

Mr. Orlikow: I wonder if the Minister or one of the members of his Department, either today or at some time in the near future when the Committee is meeting, could make a fairly comprehensive and detailed statement with regard to the problems of employment of the native people particularly in the North country. I know the Minister refers to it very

[*Interprétation*]

M. Orlikow: Nous avons une Commission des griefs des Indiens qui, je le suppose, existe depuis aussi longtemps que je siège au parlement. Le ministre pourrait-il nous dire si on prendra rapidement des mesures touchant la Commission des griefs des Indiens?

Je proposerais au Ministre que le gouvernement fasse un effort considérable pour dissiper les doutes et les soupçons exprimés si souvent au cours des derniers mois par les représentants des Indiens. Est-ce que le ministre peut nous dire quand nous aurons quelque chose?

M. Chrétien: En juin, monsieur le président.

M. Orlikow: Je voudrais laisser un peu de côté la question des Indiens et passer à certains des problèmes qui se posent dans le Nord. Quand le ministre fera-t-il une déclaration en ce qui concerne le gouvernement autonome du Nord, question que les gens qui habitent ces régions considèrent très importante.

M. Chrétien: Dans quelques semaines. Je peux vous dire que cette question est discutée au Cabinet depuis un certain temps. L'un des problèmes auxquels j'ai à faire face est un problème extrêmement complexe. Il y aura une conférence fédérale-provinciale en juin sur la Constitution dont nous discutons au Cabinet. Nous avons fait quelques progrès dernièrement et je crois qu'après une autre réunion, je serai en mesure d'annoncer notre nouvelle politique pour le Yukon et le Nord-Ouest, en ce qui concerne le problème constitutionnel. Donc, je ne peux pas vous donner une date précise, mais je crois qu'après une autre réunion du comité du cabinet je serai en mesure de faire une déclaration.

M. Orlikow: Je ne me préoccupe pas tant de la question constitutionnelle, mais j'imagine que même avant le rapport de la commission Carruthers il y a eu...

M. Chrétien: Il sera à jour. La déclaration portera sur le rapport Carruthers et sur tous les problèmes qu'on y relève.

M. Orlikow: Est-ce que le ministre ou un de ses fonctionnaires pourrait, soit aujourd'hui, soit prochainement, faire une déclaration générale détaillée concernant les problèmes de l'emploi des autochtones, notamment dans le Nord? Je sais que le ministre en a parlé brièvement dans sa déclaration, et il dit ce qu'il convenait de dire, mais il y a beaucoup

[*Text*]

briefly in his statement and he says the right things, but there are many people who feel that we need more than just general statements that are...

Mr. Chrétien: I appreciate the fact that the statement I made was a bit general.

Mr. Orlikow: Mr. Chairman, I am not being critical of the Minister's statement. I just wonder if on another occasion we could be given a more detailed statement of the actual plans so that we can discuss this matter.

Mr. Chrétien: Mr. Chairman, I can make a brief comment that will add to the statement I previously made. Since I have been the Minister I have talking about this. I have met with the industry on many occasions and always stressed the point that we have to make sure that opportunies are offered to the Indians and Eskimos in the North and we have made some progress in this respect.

I am happy to report that in the Yukon an agreement has been signed with some of the companies that will force these companies to hire a certain number of Indians. I am informed, for example, that at Clinton Creek one company has embarked on a program to try to employ all the native people who live in Dawson City. They have interviewed all of them and they are trying to find suitable jobs for them.

In the Northwest Territories some good progress has been made in this respect. I understand that many companies are working on a program in an effort to try to employ more native people and some of them have tried some new experiments. For example, at the mine at Echo Bay there is a group of, I think, 10 or 12 Indian people and they are bringing them all together in the mine and they have developed a special program in housing and environment for them that will permit the Indian to adjust. I think the Indians have now worked for three or four months in the mines and the company is satisfied and the Indians seem to be happy. I am pressing for this at every opportunity.

• 1215

The policy of the government is that by 1978 we would like 75 per cent of the employees of the territorial government to be native northerners—Indians, Eskimos or white people born in the North. I think we should strive in that direction, and with the new skill that the Eskimos and Indians are developing they will be more and more able to find jobs in the north. For example, there was an article which stated that Panartic was not too good last summer for the employ-

[*Interpretation*]

de gens qui pensent que des déclarations d'ordre général ne suffisent pas.

M. Chrétien: Je me rends bien compte que ma déclaration était assez générale.

M. Orlikow: Je ne critique pas la déclaraton du ministre, mais je me demande si nous aurons l'occasion, une autre fois, d'avoir une déclaration plus détaillée à l'égard des projets de façon à ce qu'on puisse en discuter.

M. Chrétien: Je pourrais, monsieur le président, ajouter quelque chose à ce que j'ai dit. Depuis que je suis ministre je parle de cette question, et j'ai rencontré des représentants de l'industrie à plusieurs reprises en insistant toujours sur les possibilités d'emploi offertes aux Indiens et aux Esquimaux dans le Nord. Nous avons fait quelques progrès en la matière. Je suis très heureux de pouvoir vous dire que dans le Yukon, nous avons signé un accord avec certaines sociétés qui les obligent à prendre un certain nombre d'Indiens à leur service. J'ai été informé qu'à Clinton Creek, une société a entrepris un programme pour employer tous les autochtones qui vivent à Dawson City. Ils les ont tous interviewés et essaient de leur trouver des emplois appropriés.

Dans les Territoires du Nord-Ouest des progrès ont été accomplis à cet égard. Certaines entreprises essaient d'employer plus d'autochtones, d'autres ont fait des expériences. A Echo Bay, par exemple, il y a dix ou douze Indiens qui travaillent dans la mine, on les fait travailler ensemble dans la mine et ils ont mis au point un programme spécial de logement et créé un milieu qui permettra aux Indiens de s'adapter. Je crois que les Indiens travaillent déjà depuis trois ou quatre mois dans la mine et l'employeur est satisfait, et les Indiens sont heureux. C'est sur quoi j'insiste à chaque occasion.

La politique du gouvernement est qu'en 1978, 75 p. 100 des employés du gouvernement territorial soient natifs du Nord, pas seulement des Indiens, des Métis ou des Esquimaux, mais aussi des Blancs qui sont nés dans le Nord. Je crois que nous devrions œuvrer en ce sens, et avec les nouvelles compétences qu'acquièrent les Indiens et les Esquimaux, ils seront de plus en plus capables de trouver du travail dans le Nord. Dans un article, par exemple, on disait que Pan-

[*Texte*]

ment of Eskimos, and last fall and this winter a group of Eskimos received some training in Edmonton and they worked on the drilling crews of the Panarctic project at Melville Island.

We are making some progress but I agree, Mr. Chairman, we have to press very hard and always be on our toes to make sure that the North is developed not only for its resources but in conjunction with the needs of the native people who want to have a place in our society.

Mr. Orlikow: Mr. Chairman, when the Committee was in Whitehorse we were told by the president of an asbestos mine near there that they have a great shortage of help and they would be very happy to hire either Indian or Eskimo workers. They have difficulty recruiting them because traditionally the Indians and Eskimos are not willing to go to work if it means leaving their families at home, and the only facilities that were available at that time and at that place—and I am sure this is true of many places—were dormitory-type facilities, which means that the workers had to be prepared to come by themselves.

I wonder if the Department has given any consideration, even on an experimental basis, to building some houses at a place like that which could be rented to the Indian or Eskimo workers so that they could bring their families on the condition that they could only use them while they were working on the project. I seems to me, Mr. Chairman, that this is something we ought to explore because it might help to break down the inhibition of the Indians and Eskimos about travelling distances to get the jobs which are available.

Mr. MacDonald: Mr. Chairman, I am advised that in order to meet this problem they are considering an experimental trailer program at Pine Point and if it works out we can then go on from there. I think it probably will.

Mr. Orlikow: Mr. Chairman, just one last suggestion. I wonder if the steering committee could give some consideration to the question of whether or not our timetable would permit us to discuss the problem of education of the Indians and Eskimos in depth at some future meeting.

The Chairman: Mr. Orlikow, I believe you were replaced by Mr. Thomson at the steering committee meeting which decided that between now and the end of the month we would devote as many meetings as we could

[*Interprétation*]

arctic n'employait pas beaucoup d'Esquimaux l'été dernier, mais l'automne dernier et cet hiver, un groupe d'Esquimaux a été formé à Edmonton et ils travaillent au forage dans le cadre du projet Panarctic sur l'Île Melville.

Nous faisons des progrès, mais je suis d'accord, monsieur le président, que nous devons faire tous les efforts voulus afin de s'assurer que le Nord ne soit pas développé uniquement pour ses ressources, mais conjointement avec les besoins des autochtones qui veulent tailler leur place dans notre société.

M. Orlikow: Monsieur le président, lorsque le Comité s'est rendu à Whitehorse, le président d'une mine d'amiante nous a dit qu'il y avait une forte pénurie de main-d'œuvre et qu'il serait très heureux d'engager soit des Indiens ou des Esquimaux. Ils ont de la difficulté à les recruter parce que, par tradition, les Indiens et les Esquimaux ne sont pas prêts à aller travailler s'ils doivent laisser leur famille à la maison, et que les seules installations disponibles à ce moment-là, et c'est probablement vrai pour bien d'autres endroits, étaient des espèces de dortoirs, de sorte que les travailleurs devaient être prêts à venir seuls.

Est-ce que le ministère a envisagé, ne serait-ce que sur une base expérimentale, de construire a ces endroits, des maisons qu'on pourrait louer aux travailleurs indiens ou esquimaux afin qu'ils puissent amener leur famille, à condition, et seulement pendant, qu'ils travaillent sur le projet? Il me semble, monsieur le président, que ce serait une méthode que nous devrions envisager car elle permettrait peut-être de modifier l'attitude des Indiens et des Esquimaux en ce qui concerne les déplacements pour obtenir les emplois disponibles.

M. MacDonald: Monsieur le président, on m'a informé que pour résoudre ce problème, on songe, à Pine Point, à mettre sur pied un programme de maisons mobiles. Si les résultats sont encourageant, et je crois qu'ils le seront, ce serait une solution.

M. Orlikow: Une dernière suggestion. Est-ce que le comité directeur pourrait examiner notre horaire pour savoir si nous pourrons discuter d'une façon approfondie le problème de l'éducation des Indiens et des Esquimaux lors d'une réunion ultérieure?

Le président: Vous avez été remplacé à la réunion du comité directeur où on a discuté de cette question, par M. Thomson, je crois. Il a été décidé que nous consacrerions autant de réunions que possible d'ici la fin du mois à

[*Text*]

to that particular subject. The question of Indian housing was also considered to be a topic that should be discussed during the month of May. On the subject of employment, I hope it will be possible for us to devote a meeting or two to this during the month of June. The estimates will automatically be taken away from us at the end of this month but we will still be seized of the annual report of the Department and this will entitle us to go into this in detail in June. Mr. Southam.

• 1220

Mr. Southam: Thank you, Mr. Chairman. I have to agree with the Chairman that our Minister has given us a very comprehensive and general report this morning, and I also have to agree that the minister has a large and diverse department. Our next problem, of course, will be to translate a lot of these good policy suggestions into action in the various areas. I agree with former comments, that priority should be given to constructive work to help the Indian people achieve equality. Now there has been some discussion in this area and I am not going to take up any further time with this particular aspect of the statement except to ask one or two supplementary questions of the Minister on the Migratory Birds Convention Act.

As you know, there was much discussion at the recent conference with Indians here in Ottawa on this particular issue. The Minister this morning mentioned that he had had some informal discussions with Mexican authorities regarding this while on a visit to Mexico. I would think also that it would be advisable to have either informal or formal discussions with both Mexico and the United States about this very important question?

Mr. Chrétien: I was in Mexico and had informal discussions with the officials there. I discussed the application of the Migratory Bird Convention in Canada and in their country. It was a very useful discussion, I was happy to have had it and it will help me to make up my mind on the problem. This is not an easy problem to solve, these birds often are in danger, but I understand that everyone is aware of the problem. I have talked with the Indian people and they too are concerned about the problem of conservation.

I do not know what we can do about it. I cannot give any statement right now. I think that this will be covered in the June state-

[*Interpretation*]

cette question particulière. La question du logement des Indiens a aussi été considérée comme une question qu'il faudrait discuter en mai. En ce qui concerne l'emploi, j'espère qu'il sera possible de consacrer une réunion ou deux à cette question en juin. Les prévisions nous seront enlevées automatiquement à la fin du mois mais nous serons encore saisis du rapport annuel du ministère, ce qui nous permettra d'étudier ces questions en détail au mois de juin. Monsieur Southam.

M. Southam: Merci, monsieur le président. Je suis d'accord avec le président que le ministre nous a donné un rapport très complet et général ce matin. Je suis d'accord aussi que son ministère est très vaste et varié. Notre prochain problème évidemment est de traduire toutes ces suggestions de politiques en des mesures concrètes dans différents domaines. Je suis d'accord avec les commentaires antérieurs disant que la priorité devrait être accordée à des mesures constructives pour aider les Indiens à acquérir leur égalité. Il y a eu des discussions dans ce domaine et je ne consacrerai pas plus de temps à cet aspect particulier de la déclaration, sauf pour poser une ou deux questions supplémentaires au ministre à propos de la Loi sur la Convention concernant les oiseaux migrateurs.

Comme vous le savez il y a eu pas mal de discussions à la récente conférence avec les Indiens à Ottawa au sujet de cette question. Le ministre ce matin a dit qu'il a eu des discussions officieuses avec les autorités mexicaines en ce qui concerne les fonctions migratoires lors d'une visite au Mexique. Est-ce qu'il ne serait pas souhaitable d'avoir des discussions officieuses ou officielles avec le Mexique et les États-Unis concernant cette question fort importante?

M. Chrétien: J'ai été au Mexique et j'ai eu une discussion officieuse avec les fonctionnaires là-bas. J'ai discuté de l'application de la Convention concernant les oiseaux migrateurs au Canada et dans leur pays. La discussion a été très utile, j'ai été très heureux de l'avoir eue et cela m'aidera à formuler mon opinion sur ce problème. Mais, ce n'est pas un problème facile à résoudre, ces oiseaux sont souvent en danger, mais, si je comprends bien, tout le monde est au courant du problème. J'ai parlé avec les Indiens et eux aussi sont préoccupés du problème de la conservation.

Je ne sais pas ce que nous pouvons faire. Je ne peux pas vous faire de déclaration à ce stade-ci. J'espère que cela sera traité dans la

[*Texte*]

ment. However, I must say that the discussion in Mexico was a useful one.

Mr. Southam: Would it help to solve the situation, Mr. Chairman or Mr. Minister, if we were to suggest that not only informal but formal discussions be set up at some future date with both Mexican and American authorities? I sometimes feel that more action or more reaction is gained from formal rather than informal discussions.

Mr. Chrétien: My Deputy Minister will tell you about the formal discussion we had with the Uited States.

Mr. MacDonald: We have a joint committee under the Migratory Birds Treaty between the United States and Canada, our problem has been discussed formally within that committee, the problem was reviewed and agreement on some proposed courses of action which might be open to the Government of Canada, an understanding of the nature of the problem, the solutions and their appropriateness, was reached.

Mr. Southam: The reason I put this suggestion forward, Mr. Chairman, is that I have had the good fortune to have had some experience negotiating informally and formally with American officials in some other areas and I have found—and I would assume that the same thing would apply to the people in Mexico—that we got more action as a result of formal discussions, because it seemed to more or less crystallize the seriousness of the problems. I am just putting that forward as a suggestion.

I was very interested in the emphasis the Minister placed on the development of national parks. This is something on which I heartily agree with him. It has been my pleasure over the last number of years to have taken part in debates in the House in respect of the development of national parks and their importance to the economy of this great country of ours.

I was delighted to hear the Minister—I think it was early in the year at a conference in Calgary—emphasize this aspect of our

› 1225

economy. He was even so optimistic I believe to suggest that possibly we could develop up to perhaps 60 national parks in this country by the year 1985. He may be a little over optimistic but I must agree with the emphasis he has placed on it.

[*Interprétation*]

déclaration que je ferai au mois de juin. Mais, pour moi, ça été très utile d'en discuter officieusement à Mexico.

M. Southam: Est-ce que cela aiderait à résoudre la situation, monsieur le président et monsieur le ministre si nous suggérions que des discussions officielles et non seulement officieuses soient entreprises dans l'avenir avec le gouvernement du Mexique et les États-Unis? Je crois qu'on obtient plus de résultats et plus de réactions de discussions officielles qu'officieuses.

M. Chrétien: Mon sous-ministre vous parlera des discussions officielles avec les États-Unis.

M. MacDonald: Nous avons un Comité conjoint aux termes de la Convention concernant les oiseaux migrateurs entre le Canada et les États-Unis, notre problème a été discuté officiellement au sein de ce comité, le problème a été examiné de nouveau et on s'est mis d'accord sur certaines propositions qui peuvent être envisagées par le gouvernement du Canada, sur la compréhension de la nature du problème, sur les solutions et leur applicabilité.

M. Southam: La raison pour laquelle j'ai fait cette suggestion, monsieur le président, c'est que j'ai quelque expérience en matière de négociations soit officieuses ou officielles avec des fonctionnaires américains dans d'autres domaines, et je me suis aperçu, et je suppose que ceci s'applique aussi certainement aux Mexicains, qu'on a obtenu plus d'action par des discussions officielles, parce qu'on arrive plus ou moins à cristalliser le sérieux de la situation. C'est une suggestion que je formule.

J'ai été très intéressé par l'accent placé par le ministre sur le développement des parcs nationaux. C'est une question sur laquelle je suis pleinement d'accord avec lui. J'ai eu le plaisir, au cours des dernières années, de participer aux débats à la Chambre en ce qui concerne le développement des parcs nationaux et leur importance dans l'économie de notre grand pays.

Il m'a fait plaisir d'entendre que le ministre, à une conférence, je crois, à Calgary au début de l'année, a souligné cet aspect de notre économie. Il a même été très optimiste et a suggéré que nous pourrions peut-être développer jusqu'à 60 parcs nationaux dans ce pays d'ici 1985. Il est peut-être trop optimiste, mais je suis d'accord sur l'accent qu'il met sur les parcs nationaux.

[*Text*]

Mr. Chrétien: Mr. Southam, we have 19 now and we are negotiating for nine more, which will make 28—if we can find agreement on those under consideration.

Mr. Southam: At any rate, I am in agreement with the emphasis being placed on this matter and I have expressed my feelings on the record.

At the conclusion of your opening statement you say, speaking of your department, "Mine is a large and diverse Department." It is so large and so diverse that I am of the opinion that perhaps some time in the future we should divide up some of these responsibilities.

Also, I made the suggestion, and I still think it is a valid one, that at some time we should have a ministry of national parks and tourism. I know that this involves constitutional problems and so on but one should stop and realize that the tourist industry now is the third largest source of income to this country, the wood, pulp and paper industry being first and exportable agricultural products second. But when you stop to realize that the tourist industry accounts for the third largest source of income I think that we should place more emphasis and more responsibility in the hands of one individual to carry on in this particular area.

Coming back to my own province of Saskatchewan, on April 22, 1965 a former minister of Indian Affairs and Northern Development stated, as a matter of policy, that a second national park was going to be developed in our province. Can you advise what has taken place in that four-year period?

Mr. Chrétien: You know, the problem that we face there is the same as we face everywhere. The land concerned in Saskatchewan which could be of value as a national park has to be turned over to us by the provincial authorities and we are negotiating with them about it. To date they have not come to a definite conclusion. I have had informal talks with some ministers, even the Premier of Saskatchewan, about it and I am still optimistic. Perhaps Mr. Gordon has something to add to what I have said.

Mr. J. H. Gordon (Senior Assistant Deputy Minister, (Conservation) Indian Affairs and Northern Development): No, I have not, sir.

[*Interpretation*]

M. Chrétien: Nous en avons déjà 19, et nous négocions pour 9 autres, soit un total de 28 si nous pouvons nous mettre d'accord dans ces consultations.

M. Southam: Quoi qu'il en soit, je suis d'accord avec l'accent que met le ministre sur ce problème et j'ai inscrit mes sentiments au compte rendu. A la fin de votre déclaration d'ouverture, vous dites, au sujet de votre ministère: «Mon ministère est très important et très diversifié». Il est si important et si diversifié que, d'après moi, à un moment donné, nous devrions peut-être subdiviser ces responsabilités.

J'ai aussi suggéré (et je pense encore que c'est une suggestion valable) qu'on devrait avoir à l'avenir un ministère des parcs nationaux et du tourisme. Je sais que cela pose des problèmes d'ordre constitutionnel, etc., mais quand on commence à se rendre compte que l'industrie du tourisme est maintenant la troisième source de revenus de ce pays, après l'industrie pâtes et papiers, au premier rang, et les produits agricoles d'exportation, au deuxième rang. Mais lorsque vous réalisez que le tourisme représente la troisième source de revenus dans ce pays, je pense que nous devrions mettre plus d'accent et de responsabilités entre les mains d'une personne pour qu'elle puisse s'occuper de ce domaine particulier.

Pour en revenir à ma propre province, la Saskatchewan, le 22 avril 1965, un ancien ministre des Affaires indiennes et du Nord canadien a déclaré, en matière de politique, qu'un deuxième parc national serait établi dans notre province. Est-ce que vous pourriez nous dire ce qui s'est passé depuis quatre ans?

M. Chrétien: Le problème que nous avons à faire face là, c'est celui que nous rencontrons partout. Les terres en question en Saskatchewan qui pourraient servir à ce parc national doivent être cédées par le gouvernement provincial et nous négocions en ce moment avec eux à ce sujet. Jusqu'ici nous n'en sommes pas arrivés à une conclusion précise. Je peux vous dire que j'ai eu des discussions officieuses avec certains ministres, et même avec le premier ministre de la Saskatchewan sur cette question, et j'ai encore espoir. Je ne sais pas si M. Gordon veut ajouter quelque chose?

M. J. H. Gordon (sous-ministre adjoint senior (conservation), ministère des Affaires indiennes et du Nord canadien): Non, monsieur, je n'ai rien à ajouter.

[*Texte*]

Mr. Southam: Could you advise what areas are under consideration for a second national park?

Mr. Chrétien: We cannot comment about where we plan to have national parks because often the provinces have to acquire land that is in the hands of the private sector and so on. We have to keep these things secret to avoid speculation. I mentioned in my statement that it would be nice to have a prairie park because there is still the opportunity in Saskatchewan to retain the characteristics of the prairies of yesterday. It would be very desirable to have an area that would fill that need in Saskatchewan and we are talking with the government in that connection now.

Mr. Southam: I can assure you that if I have an opportunity to talk to our provincial officials in this connection I will do my best to encourage them to that end.

Mr. Chrétien: Mr. Southam I find it very useful to talk to the people in that manner. I did that in Quebec a few weeks ago.

Mr. Southam: As I emphasized a few moments, the development of national parks enhances our economy and Saskatchewan is one area that needs to have its economy enhanced, the same as any other part of our country. As I say, after four long years it is about time that we reached some kind of an agreement with the officials in that province.

I have one other short question which is more or less related to the subject Mr. St. Pierre opened up, our sovereignty in the North. On a point of clarification, I understand the *S.S. Manhattan* and the *Northwind* are going through there this summer. Is it possible that this is an exercise in national defence rather than the placing of emphasis on our sovereignty there—or would this be classified information?

Mr. Chrétien: No, the issue of sovereignty is not involved. The *S.S. Manhattan* is a very important project. It is a case of a big tanker trying to go through the Northwest passage

• 1230

from the Atlantic to the North Slope of Alaska. This is a project by the private sector, which has found oil in the north, and we are collaborating with them because it is vitally important that they succeed. If they succeed, it will open up the North. There will be a new wave of transportation into the north and it will open up many possibilities that are not known yet.

[*Interprétation*]

M. Southam: Est-ce que vous pourriez nous informer quant aux régions qui sont envisagées à l'égard d'un deuxième parc national?

M. Chrétien: Non, nous ne pouvons pas faire des commentaires quant à l'emplacement des parcs nationaux parce que, très souvent, les provinces doivent acquérir le terrain de personnes qui se trouvent dans le secteur privé et il faut que cela reste sous secret pour éviter la spéculation. J'ai mentionné dans ma déclaration que ce serait une bonne chose d'avoir un parc des Prairies parce qu'il y a encore des possibilités dans la province de Saskatchewan de garder ce caractère des Prairies d'hier. Il serait très souhaitable d'avoir une région qui serait parfaitement appropriée à cette fin et nous parlons avec le ministère du gouvernement afin d'essayer de les obtenir.

M. Southam: Si jamais j'ai l'occasion de parler aux autorités provinciales à ce sujet, je ferai de mon mieux pour les encourager.

M. Chrétien: Monsieur Southam, je me suis aperçu qu'il était toujours très utile de parler aux gens à ce sujet. Je l'ai fait à Québec, il y a quelques semaines.

M. Southam: Comme je l'ai dit tout à l'heure l'aménagement des parcs nationaux réhausse notre économie et la Saskatchewan est une région qui doit rehausser ses ressources, tout comme les autres régions de notre pays. Et ça fait déjà quatre longues années. Il est temps d'agir dans cette province.

J'ai encore une courte question qui se rapporte plus ou moins à celle soulevée par M. Saint-Pierre, notre souveraineté dans le Nord. A titre d'éclaircissement, si je comprends bien, les navires *Manhattan* et *Northwind* y vont cet été. Est-ce possible que ce soit un exercice de défense nationale plutôt qu'un exercice de souveraineté. Ces renseignements sont-ils secrets?

M. Chrétien: Je vous assure que la souveraineté n'est pas en cause. Ce projet *Manhattan* est très important. C'est un grand bateau-réservoir qui va se rendre par le passage du Nord-Ouest à partir de l'Atlantique jusqu'à la pente nord de l'Alaska. C'est un projet du secteur privé qui a trouvé du pétrole dans le Nord, et nous collaborons avec eux parce que leur réussite est très importante. S'ils réussissent, ils vont ouvrir le Nord. Il y aura une nouvelle vague de transport dans le Nord et cela ouvrira toutes sortes de possibilités inconnues jusqu'ici.

[*Text*]

We know that in the north there is much mining and other possibilities but the problem we face is transport.

If the experiment of the *S.S. Manhattan* is a good one, all of Canada will benefit from it because we have much more land in the North than the Americans have in Alaska. It is a big project. We have put $25 million in it, and I hope it is going to be successful because it is going to be great for the development of the northern parts of Canada. We have looked into that matter very carefully and there is no danger for the sovereignty of Canada. There will be a big advantage for Canada if the project is successful.

Mr. Southam: I have to agree with you from an economic point of view, but that was not so much the emphasis of my question. I was wondering if it would be in our interests as a matter of joint national defence between Canada and the United States to have this project fulfilled. This de-emphasizes the sovereignty issue and puts more emphasis on the economy and the defence issue.

Mr. Chrétien: This project is strictly a business project and it is not related to defence at all.

Mr. Southam: Thanks, Mr. Chairman.

The Chairman: Mr. Orange.

Mr. Orange: Mr. Chairman, I was interested to hear the Minister mention that he will be dealing with the Migratory Birds Convention Act when he makes a statement in June. This is something that has been long delayed. We have had quasi promises about the matter in the past.

I wonder if he could clarify one statement, particularly with reference to the North, that the RCM Police are not enforcing the conditions of the migratory bird Act. Is this a tacit agreement or is it a direction from Northern Development to the RCM Police? There is still in the minds of the people in the North, the people who are hunting and trapping, the concern that they are breaking the law when they take migratory birds out of season, and of course that is the only time the migratory birds are in the North, when there is no season.

Mr. Chrétien: I do not have anything to add to the statement I made. We are looking into the problem and I will elaborate in June on it. I know that it is a difficult problem. We

[*Interpretation*]

Nous savons que dans le Nord, il y a beaucoup d'exploitation minière et beaucoup d'autres ressources, mais, notre problème est celui du transport.

Si l'expérience du S.S. Manhattan est heureuse, tout le Canada en profitera parce que nous avons beaucoup plus de territoires dans le Nord que les Américains en ont en Alaska. C'est donc un grand projet. On y a investi 25 millions de dollars. J'espère qu'il réussira parce qu'il sera extrêmement utile pour l'expansion des régions nordiques du Canada. Nous avons étudié à fond cette question, et il n'existe aucune menace à la souveraineté du Canada. La réussite du projet serait très avantageuse pour le Canada.

M. Southam: Je dois dire que je suis d'accord avec vous sur le plan économique. Mais, ce n'est pas là le sens de ma question. Je voulais tout simplement savoir s'il serait dans notre intérêt de réaliser ce projet considérant une défense nationale conjointe entre le Canada et les États-Unis. Ainsi, je n'insistais pas sur la souveraineté mais sur l'aspect économique et stratégique.

M. Chrétien: Ce projet est simplement commercial et ne conserve pas la défense en aucune façon.

M. Southam: Merci, monsieur le président.

Le président: Monsieur Orange.

M. Orange: Monsieur le président, j'ai été très intéressé aux commentaires du ministre lorsqu'il a dit qu'il s'occupera de loi sur la Convention concernant les oiseaux migrateurs, en faisant sa déclaration au mois de juin. C'est une question qui a été retardée depuis longtemps. On nous a fait des promesses à ce sujet dans le passé.

Je me demande si le ministre pourrait tout simplement préciser la déclaration particulièrement au sujet du Nord, lorsqu'il voulait que la Gendarmerie royale n'applique pas la loi sur les oiseaux migrateurs? Est-ce un accord tacite? Ou bien, est-ce le ministère des Affaires indiennes et du Nord canadien qui a donné ces directives à la Gendarmerie Royale? Les gens du Nord, c'est-à-dire ceux qui font la chasse et le piégeage dans le Nord estiment encore qu'ils enfreignent la loi lorsqu'ils chassent les oiseaux migrateurs hors saison. Évidemment, c'est seulement à ce moment-là que les oiseaux migrateurs se trouvent dans le Nord.

M. Chrétien: Je n'ai rien à ajouter à la déclaration que j'ai faite. Nous étudions le problème et au mois de juin je donnerai plus de détails sur cette question. Je sais que c'est

[*Texte*]

have to change some things in the law or the regulations. You made quite a pertinent comment about the situation in the North that when the birds are there the regulations do not permit taking them. So we have to correct these things. I cannot elaborate more today on it.

Mr. Orange: In your statement, Mr. Minister, you mentioned that there would be a second park in the Northwest Territories. As all of this is Crown land and there is really no opportunity for speculation, I am wondering if you would be prepared to say in what general area this park might be located.

Mr. Chrétien: In the Northwest Territories we have no problem of consultations with the provinces. We have the authority to do what we want to do there, but we would not do that in a vacuum. We have stated publicly that we are interested in having national parks in two different areas in the Northwest Territories. One is to the east of Great Slave Lake, Artillery Lake, and the Nahanni River.

There are some people in the North who have objections to this because of the mining prospects. We will be holding consultations on this format that we have developed of having a core area and another area where we will permit prospecting, and if they find ore they could develop that.

• 1235

I think we can find a solution that will satisfy the mining industry and at the same time ensure that we put aside a good place for a national park that can be developed in the future as a tourist attraction. And if we develop the two national parks in the Northwest Territories, to add more local flavour we would give high priority for Indians to be employed in those parks. That will add another attraction.

I do not know exactly what we will do, but we intend to proceed and I am sure that in the long run the people of the North will benefit greatly from the establishment of national parks in the North. I understand that in June there will be a meeting of all the parties concerned, representatives of the Territories, the federal government and the mining industry, to try and find a solution to the problem at Artillery Lake. But I think it is still desirable to have a national park in that part of the Northwest Territories.

[*Interprétation*]

un problème difficile. Il faut changer certaines choses dans la loi, dans les règlements. Je voudrais faire des commentaires pertinents sur la situation dans le Nord quant au fait que lorsque les oiseaux s'y trouvent la loi n'autorise pas les gens à les chasser. Alors, il faut évidemment remédier à ce mauvais état de chose. Je ne peux pas donner plus de détails là-dessus aujourd'hui.

M. Orange: Dans votre déclaration, monsieur le ministre, vous avez mentionné qu'il y aurait un deuxième parc dans les Territoires du Nord-Ouest. Comme ce sont des terres de la Couronne et qu'il n'y a pas beaucoup de spéculation, je voudrais savoir si vous êtes disposé à nommer l'endroit où se situera ce parc.

M. Chrétien: Dans les Territoires du Nord-Ouest, il n'y a pas de problèmes de consultation avec les provinces. Nous pouvons faire ce que nous voulons mais nous ne le ferons pas dans le vide. Nous avons déclaré publiquement que nous sommes intéressés à avoir un parc national dans deux régions différentes des Territoires du Nord-Ouest. L'une à l'est du Grand Lac des Esclaves (le Lac de l'Artillerie), et l'autre à la rivière Nahanni.

Il y a des gens dans le Nord qui voient des objections à cela à cause des projets d'exploitation minière. Nous aurons des consultations à ce sujet où nous espérons organiser une région centrale et une autre où l'on autorisera la prospection, puis l'exploitation minière, si possible.

Je crois que nous pouvons trouver une solution qui pourra satisfaire l'industrie minière et en même temps permettre de réserver un endroit approprié pour organiser un parc national qui constituera un centre touristique. Si nous organisons deux parcs nationaux dans les Territoires du Nord-Ouest pour ajouter une certaine couleur locale nous donnerons d'abord du travail aux Indiens, ce qui constituera un autre attrait touristique.

Je ne sais pas exactement ce que nous ferons, mais nous avons l'intention de faire quelque chose et je suis certain qu'à la longue nous sommes certains que les gens du nord profiteront beaucoup de mise sur pied de parcs nationaux dans le Nord. Je comprends qu'en juin il y aura une réunion de tous les intéressés, c'est-à-dire les représentants des Territoires, du gouvernement fédéral, et de l'industrie minière, afin d'essayer de trouver une solution au problème au lac de l'Artillerie. Mais je pense qu'il est toujours souhaitable d'avoir un parc national dans cette partie des Territoires du Nord-Ouest.

[*Text*]

Mr. Orange: I think, Mr. Minister, just to clear up a misconception, the objections to the proposal put forward by the Department to the Territorial Council earlier this year were not only from the mining industry. They were from many concerned people in the North who recognize that the mining industry is the future of the North, and that the area proposed looks as if it has some exciting mining potential. There are many things that could be said about this particular proposal, but I think we will just let that lie for the moment.

Mr. Chrétien: There will be a meeting in June with the people in the North to discuss all the aspects.

Mr. Orange: In this connection, Mr. Minister, some of the people in the North think that June might not be the best time, because most of them will be out in the bush. I think representations were to be made to you to hold it towards the end of May.

Mr. Chrétien: I will take note of your representation.

Mr. Orange: At the last Territorial Council session in Yellowknife the Council took a decision to erect the school-hostel complex in Fort Rae at the new townsite. In going through your estimates for this year I do not see any great amount of funds for construction of this school. Could you bring us up to date on where the project stands, what will happen this year, and when it will open?

Mr. MacDonald: Mr. Chairman, I do not think we can be precise because while the Council did one thing we asked, which is to take an option as to whether to move or not to move, the consequence of that and some of the recommendations which the Council associated with that position have had to be put under study. We will probably be moving in the next fiscal year. I cannot be more precise at this time.

Mr. Orange: Not in this present fiscal year. It will start next year?

Mr. MacDonald: I am not certain about that. It depends on the progress of discussions.

Mr. Orange: An announcement was made earlier this year with regard to the small business loans which were to be established for businessmen in the North who were unable to raise funds through the Industrial Development Bank.

My understanding is that the announcement was made in February, but the plan will not come into operation until October. This seems

[*Interpretation*]

M. Orange: Je crois, monsieur le ministre, pour supprimer une certaine confusion que les objections à la proposition présentée plus tôt cette année par le ministère au Conseil territorial provenaient seulement de l'industrie minière. Elles venaient de milieux intéressés au Nord qui reconnaissent que l'avenir du Nord se trouve dans les mines et que les régions proposées semblent des centres d'exploitation minière prometteurs. Naturellement, on pourrait ajouter bien des choses à ce sujet, mais il est préférable d'attendre pour le moment.

M. Chrétien: Au mois de juin, nous allons rencontrer les gens du Nord pour discuter de tous ces problèmes.

M. Orange: A ce propos, monsieur le ministre, des gens du Nord pensent que le mois de juin n'est pas le meilleur moment parce que la plupart d'entre eux seront à la chasse. Je crois qu'on vous a demandé de fixer les réunions à la fin du mois.

M. Chrétien: Je considérerai votre observation.

M. Orange: A la dernière réunion du Conseil territorial à Yellowknife, on a décidé de construire une école-pension dans le nouveau quartier de Fort Rae. D'après les prévisions budgétaires de votre ministère, cette année, je ne vois pas beaucoup de fonds alloués à la construction de cette école. Pouvez-vous me dire où en est le projet? Que fera-t-on cette année? Quand ouvrira-t-on le centre?

M. MacDonald: Monsieur le président, je crois que nous ne pouvons pas être précis parce que pendant que le Conseil a fait une chose que nous avions demandée, c'est-à-dire décider d'agir ou de ne pas agir, la conséquence de cette décision et de quelques recommandations devaient être étudiées. Nous devrions agir pendant la prochaine année budgétaire. Je ne peux pas être plus précis que cela.

M. Orange: Pas cette année, l'année prochaine?

M. MacDonald: Je n'en suis pas certain, tout dépendra du progrès des discussions.

M. Orange: Plus tôt cette année, on a annoncé quelque chose relativement aux prêts aux petites entreprises créés pour aider les hommes d'affaires du Nord à réunir des fonds grâce à la Banque d'expansion industrielle.

L'annonce a été faite en février et le plan doit entrer en vigueur en octobre seulement; il me semble que c'est beaucoup de temps

[*Texte*]

to me to be a time to develop a program, and what I am concerned with is not only the delay but the fact that it means that the summer months will have passed by, and this is the time when most businessmen would be carrying out capital expansion. In effect it means that it will not be operative until next year.

Mr. MacDonald: Mr. Chairman, I think the delay is not inordinate when you bear in mind that what the government announced was a decision in principle, that it would seek appropriations for this purpose. What we are talking about is setting up a new lending system and this is not done in a matter of months. We have intensive discussions going on now with the Industrial Development Bank. We had always hoped to associate it fairly intimately with this new lending power, so that we would provide an easier base for them to move further into the North. We think that would be one of the ancillary benefits, and we would make our lending complementary to the lending of the Industrial

• 1240

Development Bank. Our discussions with them so far have been satisfactory and I think we will work out something of that nature.

From there we will have to complete the regulations which are in process and we will have to get staff to work under the direction of the Commissioners in each of the Territories to receive and process applications and to provide some of the advice and some of the liaison with the Industrial Development Bank.

Mr. Orange: Mr. Chairman, the Industrial Development Bank, while it has been into the North in certain areas, I understand it has special conditions which apply to the North in terms of the size of the down payments which are larger than in the South. I have heard this. I never talked to the Bank about it. Is this a fact?

Mr. MacDonald: They assure me not, but this is one of the points I made earlier, that we are most anxious not to create another lending institution with all the elaborate apparatus, staff and so on. The Industrial Development Bank has developed over the years a whole complement of qualified engineers in a variety of business enterprises which we could not hope to imitate.

What we find most in the North is an equity deficiency and that is where sometimes they might be deficient from the point of view of the Industrial Development Bank and

[*Interprétation*]

pour mettre un programme au point. Je me soucie non pas seulement du retard, mais du fait que les mois d'été seront passés et que c'est à ce moment-là que la plupart des hommes d'affaires peuvent s'occuper d'investissement. En fait, tout ceci signifie que le programme n'entrera en vigueur que l'année prochaine?

M. MacDonald: Monsieur le président, je crois que le retard n'est pas excessif si vous pensez au principe qu'a annoncé le gouvernement, à savoir qu'il chercherait à avoir les crédits à cette fin. On songe à établir un nouveau système de prêts qui ne peut-être mis sur pied en quelques mois seulement. Nous avons maintenant des discussions serrées avec la Banque d'expansion industrielle. Nous avons toujours voulu associer très intimement cette banque et cette nouvelle politique de prêts pour pouvoir offrir une base plus facile pour développer le Nord. Nous croyons que cela constituera des profits accessoires. Nous ferons notre prêt à la suite du prêt de la Banque d'expansion industrielle. Nos discussions jusqu'ici avec la Banque d'expansion industrielle sont satisfaisantes et je pense que nous pourrons élaborer quelque chose du genre.

Entre-temps, il faudra terminer les règlements que l'on est en train de préparer et faire travailler des gens sous la direction des commissaires de chaque territoire pour recevoir, procéder à l'application et fournir un avis et un lien avec la Banque d'expansion industrielle.

M. Orange: Monsieur le président, la Banque d'expansion industrielle qui s'est établie dans certaines régions du Nord, offre certaines conditions spéciales qui s'appliquent au Nord, pour ce qui est des versements initiaux qui sont plus importants que dans les régions du Sud. C'est ce que j'ai entendu, mais je n'en ai pas parlé à la Banque. Est-ce vrai?

M. MacDonald: Il paraît que ce n'est pas vrai, mais c'est un des points que j'ai mentionnés plus tôt, c'est-à-dire que nous tenons absolument à ne pas créer une autre institution de prêts, avec tout l'appareil administratif que cela comporte. La Banque d'expansion industrielle a pu recruter au cours des années tout un groupe d'ingénieurs spécialisés dans toute une gamme d'entreprises industrielles, ce que nous ne pouvons espérer réaliser.

Ce que nous trouvons le plus dans le Nord c'est qu'il y a certaines déficiences d'équité et c'est parfois le secteur qui, de l'avis de la Banque d'expansion industrielle est peut-être

[*Text*]

therefore that is where our lending could be complementary. Thus the Industrial Development Bank might satisfy itself as to the viability of the business proposal, be prepared to make a loan if there was more equity, and our loans could then come in behind.

Mr. Orange: In the establishment of credit committees for the Small Business Loans Fund itself, you say the Fund will come under the direction of the Commissioners of the two territories. Will the credit committees consist of representative people living in the North as well as representatives of the federal government?

Mr. MacDonald: It is hoped that they will be entirely local people.

Mr. Orange: Entirely local people.

Mr. MacDonald: That would be the hope that we can find suitable people sufficiently detached who are not applicants themselves.

Mr. Orange: Mr. Chairman, coming back to the question of education, particularly with the oil activity in the Mackenzie Delta and on the Arctic Islands, I have seen some proposals which would seem to indicate that the oil companies, particularly in some of their activities, could employ about up to 50 per cent local people with some training on seismic crews, drilling crews, as roughnecks and jughounds. Have some of the proposals, which I understand are being made through the administration in Inuvik, to establish courses of this nature reached this level here, or have they been implemented, or what is the situation?

The Chairman: Mr. Orange, on this particular point I had an indication from Mr. Hunt and Dr. Woodward, who will be before the Committee tomorrow, that they will be prepared to give a detailed statement on that particular subject.

Mr. Orange: I suggest, though, that there be someone from "education" here as well, because with all due respect to Mr. Hunt, he is a "resources" man, not an educationalist.

The Chairman: We will have someone.

Mr. Orange: In terms of local employment again, we come, for example, to the teacher training program in Yellowknife which I am told this year has brought about 15 people from the North to the point where they would qualify as teachers for territorial schools. I think this is a first class program. My only criticism really is that it is too bad we did not start it a lot earlier. However, I am con-

[*Interpretation*]

faible et qui par conséquent pourrait le mieux bénéficier de nos prêts. Ainsi, la Banque d'expansion industrielle pourrait se convaincre de la viabilité de l'entreprise, être disposée à consentir le prêt si l'avoir est plus important, et alors nous pourrions intervenir et compenser pour la différence.

M. Orange: Vous dites que, pour l'établissement des comités du crédit pour les prêts aux petites entreprises, le fonds lui-même relèvera des commissaires des deux territoires? Est-ce que les comités constitués seront composés de gens vivant dans le Nord et aussi de membres du gouvernement fédéral?

M. MacDonald: On espère que ce soit entièrement des gens de l'endroit.

M. Orange: Seulement du personnel local?

M. MacDonald: Nous espérons trouver des gens convenables, suffisamment désintéressés et qui ne soient pas candidats.

M. Orange: Monsieur le président, pour revenir à la question de la formation, surtout pour ce qui est de l'activité pétrolière dans le delta du fleuve Mackenzie et dans les îles de l'Arctique, J'ai vu certaines propositions qui sembleraient indiquer que les compagnies de pétrole, en particulier pour certaines de leurs activités pourraient employer jusqu'à 50 p. 100 de la main-d'œuvre locale moyennant une certaine part de formation pour travailler avec les équipes séismiques et les équipes de forage comme manœuvres. Les propositions présentées par l'administration pour établir des cours de formation d'après ce niveau-ci ont-elles été appliquées?

Le président: Monsieur Orange, à ce sujet-là M. Hunt et M. Woodward qui témoigneront devant le comité demain m'ont dit qu'ils seraient prêts à faire une déclaration détaillée là-dessus.

M. Orange: Je propose donc que l'on fasse appel à un éducateur car, avec tous les égards dus à M. Hunt, il s'occupe des ressources et non d'éducation.

Le président: Nous aurons quelqu'un.

M. Orange: Sur le plan de l'emploi local aussi nous avons des programmes de formation de professeurs à Yellowknife et on me dit que grâce à ce programme cette année, à peu près quinze personnes ont reçu suffisamment de formation pour qu'ils puissent professer dans les écoles des Territoires. Je pense que c'est un programme excellent. Le seul problème c'est de n'avoir pas commencé

[*Texte*]

cerned that the program, though it will continue in future years, is to be closed down next year for evaluation.

A lot of people are asking how a program of this nature can be evaluated after one year rather than say four or five years. I have talked with educationalists on this who feel that it should go on for three or four or five years before an over-all evaluation is made on its effectiveness.

Mr. Chrétien: I cannot give you the details of it but I will look into that personally. I do

• 1245

not think the statement made a few months ago, that this program was to be completed this year and not kept on is a factual statement. Speaking from memory, my information is that this program has to continue.

Mr. Orange: It is to continue, Mr. Minister, in that the instructors who are now with the group will go to the schools where these trainees are located and assist them during the course of the year, but the bringing in of new people to start a second training program, I understand, is to be held off this year and will not commence until 1970 and I just question the advisability of that.

Mr. Chrétien: Mr. Chairman, I am not in a position to make a comment on that. If I understand the motion by Mr. Orlikow, you will soon be discussing the problem of education and perhaps this question could be raised there. I am not in a position today to give you this specific information.

The Chairman: We plan, Mr. Orange, at the meeting following the Yukon Electric one which will be Thursday, to get onto the subject of education; that will be next Tuesday.

Mr. Orange: In another area, I want to point out what progress has been made with respect to community radio stations in the North. We read a lot about satellite communications systems and so on but for about two years now there have been discussions, I gather, between the department, the CBC, the Department of Transport, with the idea of setting up small FM radio stations in the little communities where the short wave northern service really is not very effective in terms of reception, and in terms of informing people what is going on.

[*Interprétation*]

plus tôt. Mais je m'inquiète parce que l'on dit que le programme doit être interrompu l'année prochaine même s'il sera poursuivi l'année suivante pour l'évaluation.

Bien des gens me demandent comment un programme de ce genre peut être évalué après un an seulement au lieu de quatre ou cinq ans. Je parlais à des gens intéressés à l'éducation qui disent qu'on devrait poursuivre le programme trois ou quatre ans, avant de faire l'évaluation de son efficacité.

M. Chrétien: Je ne peux vous en donner les détails, mais j'étudierai la question personnel-

lement. Je ne pense pas que la déclaration faite il y a quelques mois à l'effet que le programme devait être terminé cette année est conforme à la vérité. Si je me souviens bien, ce programme ne sera pas supprimé.

M. Orange: Oui, monsieur le ministre, mais les instructeurs qui font partie du groupe doivent se rendre eux-mêmes dans les écoles où on enverra ces stagiaires pour les aider au cours de l'année, mais le recrutement de nouveaux instructeurs pour commencer un nouveau programme de formation, doit être interrompu cette année pour reprendre en 1970, et c'est pourquoi je me demande si c'est la meilleure façon de procéder.

M. Chrétien: Nous ne sommes pas en mesure de faire une déclaration là-dessus. D'après la motion présentée par M. Orlikow, je pense que l'on discutera bientôt de la question de la formation et vous pourrez alors soulever le sujet. Mais, je ne suis pas en mesure de vous donner aujourd'hui ce genre de renseignement.

Le président: Monsieur Orange, après la séance qui suit celle qui portera sur la Yukon Electric, jeudi prochain, nous comptons reprendre la question de la formation; c'est-à-dire, mardi prochain.

M. Orange: Je voulais tout simplement vous parler du progrès qui a été réalisé en ce qui concerne les stations de radiodiffusion dans le Nord. On entend parler des systèmes de communications par satellite et le reste, mais pendant deux ans déjà on a eu des discussions entre le ministère, la société Radio-Canada, et le ministère des Transports afin d'établir des petites stations FM dans les localités où les services à ondes courtes des régions du Nord ne sont pas très efficaces sur le plan de la réception et de l'information.

[*Text*]

There is a station at Pond Inlet which started out as a pirate radio station and the Department of Transport did provide certain facilities so that they could set up their own little FM station in the community. It is operating approximately five to seven hours a day. However, there are an awful lot of other communities in the North, and this, in effect, would be a community-operated thing, and I think the only assistance the government would be expected to provide is the actual technical equipment.

Mr. Chrétien: Mr. Orange, on that, my Department is in touch with the CBC and Dr. Davidson and these negotiations are still going on. I hope that we will get some positive results soon, and I hope that the whole area of communications in the North will improve very much with the new corporation that the federal government is setting up that is called Telesat, the satellite communications system, and I am quite sure that it becomes established and in an operation the North will benefit. However, it is a long-term thing and in the meantime we have to take some immediate action and we are in touch with the Department of the Secretary of State to solve this.

Mr. Orange: I know, Mr. Minister, but this is the frustation.

Mr. Chrétien: This takes some time.

Mr. Orange: This talk continues and there is nothing happening. It seems to me that we were able to move in relation to, say, Pond Inlet very quickly because it did get a little publicity and it did become a sort of a national thing. Why can we not get some action with regard to all of the other communities? A lot of them have applied, like Cape Dorset and Baker Lake. Both of them have applied for these radio stations...

Mr. Chrétien: I take note of your remarks and I will look into that problem, Mr. Orange, right away.

The Chairman: Mr. Gundlock has indicated that he has a very, very short supplementary.

Mr. Gundlock: I would like to ask the Minister, in view of the great interest in the North at the moment what is the situation with regard to a permanent airport at Old Crow?

The Chairman: I take it that you want to visit Old Crow this summer!

[*Interpretation*]

A Pond Inlet il y a une station de radio privée, qui était au début exploitée clandestinement, et le ministère des Transports a offert certaines installations pour que l'on puisse constituer une petite station privée dans la localité. Elle fonctionne à peu près cinq à sept heures par jour. Cependant, il y a bien d'autres localités dans le Nord où la station serait exploitée par la localité et tout ce que le gouvernement aurait à faire serait de fournir l'équipement technique nécessaire.

M. Chrétien: Monsieur Orange, mon ministère est en rappport avec Radio-Canada, et avec M. Davidson, et les négociations se poursuivent, j'espère que nous aurons bientôt des résultats positifs et j'espère, que tout le domaine des communications dans le Nord s'améliorera avec la nouvelle société que le gouvernement compte constituer, et qui s'appelle Télésat, le système de communication par satellite et je suis certain que lorsque cela sera établi et commencera à fonctionner le service s'améliorera. Toutefois, il s'agit d'une planification à longue échéance, mais entretemps, il nous faut prendre des mesures immédiates, et nous sommes en rapport avec le Secrétaire d'État pour régler la question.

M. Orange: Je le sais, c'est justement ce qui est frustrant.

Mr. Chrétien: Cela demande du temps.

M. Orange: On ne fait que discuter et rien n'est fait. Il me semble que nous pouvions agir, par exemple, pour Pond Inlet assez vite, parce que l'affaire a profité d'un peu de publicité, et qu'elle a pris une dimension nationale. Je voudrais savoir pourquoi ne pouvons-nous pas activer les choses pour ce qui est de toutes les autres localités? Il y a plusieurs localités comme Cape Dorset et Baker Lake qui en ont fait la demande. Toutes les deux localités ont voulu avoir ces stations de radiodiffusion.

M. Chrétien: Je note vos remarques et j'étudierai ce problème tout de suite, monsieur Orange.

Le président: M. Gundlock a dit qu'il avait une très courte question supplémentaire à poser.

M. Gundlock: Je voudrais demander au ministre, étant donné le grand intérêt que l'on manifeste à l'égard du Nord, ce qu'il en est de l'aéroport permanent à Old Crow?

Le président: Je suppose que vous voulez visiter Old Crow cet été, n'est-ce pas?

[*Texte*]

Mr. Chrétien: I think that Old Crow is on the schedule for an airport and I do not know when the airport will be completed. We have a ten year program for building a certain

• 1250

number of airports and Old Crow is one of them, but I do not know where it stands on the priority. I will look into that.

Mr. A. D. Hunt (Director Northern Economic Development Branch (Economic Development)): The scheduling of the construction depends a little on working it in with about two other airstrips because equipment has to be brought specially to build these airstrips and then left at the airstrips to service them. This will happen within three or four years, I think, but whether it is going to be the first one of, say, a group of three, or the last one, I am sorry, I do not carry that in my mind.

The Chairman: Mr. Kaplan?

Mr. Kaplan: Mr. Chairman, I will make my question very short because there are others who still want to ask questions. It is about your proposed June statement, Mr. Chrétien.

Will you be proposing a new role for the provincial governments and asking that they take responsibilities that are now being performed by the federal government?

Mr. Chrétien: I cannot say anything on the statement itself. I have to make that in the House of Commons. But I have said on many occasions that the Indians are citizens not only of Canada but also of the provinces, and we have to work in that direction.

When the provinces say that they have nothing to do with the Indians I do not agree at all, because when they are collecting taxes on gasoline they collect them from the Indians as they do from other people in the province. They have to face their responsibilities, too. I cannot elaborate more than that.

Mr. Kaplan: Will you be speaking to provincial governments between now and this summer?

Mr. Chrétien: I had discussions with the provincial governments during the last Federal-Provincial Conference of Ministers of Health in Ottawa. They took an afternoon with me to discuss Indian problems.

Mr. Kaplan: So far as you are now aware, will there be further discussions with the provincial governments before your June statement?

[*Interprétation*]

M. Chrétien: D'après les plans on est supposé construire un aéroport à Old Crow, mais je ne pourrais dire quand les travaux seront terminés. Nous avons un programme de deux ans pour construire un certain nombre d'aéroports, Old Crow en fait partie, mais je ne sais pas quel est son ordre de priorité.

M. A. D. Hunt (directeur, Direction d'expansion économique du Nord): L'horaire de construction dépend un peu de la construction de deux autres pistes d'atterrissage. Premièrement, il faut acheter l'équipement pour construire des pistes d'atterrissage et ensuite le laisser là pour l'entretien. Ceci se produira probablement d'ici trois ou quatre ans. Mais, comme il y en a trois sur la liste, je dois vous dire que je ne me rappelle pas très bien si ce sera le premier, deuxième ou troisième.

Le président: Monsieur Kaplan?

M. Kaplan: Je serai très bref, monsieur le président, parce que d'autres députés veulent poser des questions. Il s'agit de la déclaration que vous avez l'intention de faire au mois de juin, monsieur Chrétien. Allez-vous proposer que les gouvernements provinciaux jouent un nouveau rôle et allez-vous leur demander d'assumer des responsabilités qui appartiennent maintenant au gouvernement fédéral?

M. Chrétien: Je ne peux pas vous le dire maintenant, il faut que je fasse ma déclaration à la Chambre des Communes. Mais j'ai dit à bien des reprises que les Indiens ne sont pas seulement des citoyens du Canada, ils sont aussi des citoyens des provinces, et nous devons travailler dans ce sens. Je ne suis pas d'accord, lorsque les provinces disent qu'elles n'ont rien à voir avec les Indiens, parce que lorsqu'elles perçoivent les taxes sur l'essence, elles les perçoivent aussi bien chez les Indiens que chez les autres citoyens de la province. Donc, les Indiens sont leur responsabilité aussi. C'est tout ce que je peux dire dans le moment.

Mr. Kaplan: Allez-vous vous adressez aux gouvernements provinciaux avant l'été?

M. Chrétien: Je leur en ai parlé au cours de la dernière conférence fédérale-provinciale des ministres du Bien-être à Ottawa. Nous avons consacré une après-midi à discuter les problèmes des Indiens.

M. Kaplan: En autant que vous sachiez, y aura-t-il discussions avec les gouvernements provinciaux avant la déclaration du mois de juin?

[*Text*]

Mr. Chrétien: There are constant consultations with the provinces at the official level, and there will be others before that date. But whether I will be personally involved, I cannot say.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: I, too, shall be brief, because of the lateness of the hour and the fact that the Indian question is an urgent and important one. I would like briefly to pursue this problem of consultation on three levels.

First of all, the government has been consulting through a minister without portfolio and he has been carrying the main burden. As I understand it, Mr. Andras, because of his new responsibilities, will no longer be available to carry on this consultation.

Mr. Chrétien: The system was that when I, as Minister of Indian Affairs and Northern Development, could not be present at these consultations Mr. Andras was asked by me take my place. I think we have split the work at these consultations quite evenly. I think he has been present at 10 consultations, and I have been present at 10; and there were a few consultations at which we were both present. I do not know what form the consultation in the fall, or later, is going to take. That is a problem I will have to face later.

Mr. Dinsdale: The Minister of Indian Affairs and Northern Development is burdened with many responsibilities. Do you have a parliamentary secretary?

Mr. Chrétien: Not yet; but I will have one, sir. Mr Andras was given other responsibilities last week, and the Prime Minister asked me if I would be able to carry the work for a few more weeks alone, and I said yes. It is quite a heavy burden, but I will do my best to be available for everything. I am not too concerned about the next few weeks, and in the summer I think I will receive other help. It is a problem for the Prime Minister. I will carry the load. I like the Department, and I enjoy my work.

Mr. Dinsdale: I notice that the Indians have requested in a formal way, because of the urgency of the matter, that there should be a person with special responsibility for this. They mention the former Minister as having done an excellent job. To continue the

• 1255

process of discussion and consultation perhaps it would be important to accede to their wishes.

[*Interpretation*]

M. Chrétien: Il y a toujours des consultations avec les provinces au niveau des hauts fonctionnaires. Il y en aura d'autres avant que je fasse la déclaration. Reste à savoir si je serai impliqué personnellement, je n'en sais rien.

Le président: Monsieur Dinsdale?

M. Dinsdale: Je serai bref moi aussi à cause de l'heure tardive et parce que la question des Indiens est très importante. Je voudrais étudier ce problème des consultations à trois niveaux. Premièrement, le gouvernement a consulté un ministre sans portefeuille, qui devait supporter le principal fardeau de ces consultations. Je crois comprendre que M. Andras ne sera plus à notre disposition car il a d'autres responsabilités. Donc, il ne sera pas en mesure de poursuivre ces consultations.

M. Chrétien: Voici quel était le système: lorsque, en tant que ministre des Affaires Indiennes et du Nord Canadien, je ne pouvais pas moi-même assister à ces séances de consultation, M. Andras me remplaçait. Et je pense que nous avons partagé le travail, au cours de ces consultations, de façon assez égale. Il a assisté à dix séances et moi aussi, et parfois nous étions là tous les deux. Je ne sais pas exactement quelle forme prendront les consultations, à l'automne. C'est un problème que j'affronterai en temps et lieu.

M. Dinsdale: Le ministre des Affaires Indiennes et du Nord Canadien a beaucoup de responsabilités. Avez-vous un secrétaire parlementaire?

M. Chrétien: Pas encore, mais j'en aurai un. M. Andras a reçu d'autres responsabilités la semaine dernière. Le premier ministre m'a demandé si j'étais en mesure de remplir ma tâche seul encore quelques semaines et je lui ai répondu: «oui.» Vous comprenez c'est une tâche assez lourde, mais je ferai de mon mieux pour être accessible dans tous les cas. J'ai bon espoir de pouvoir assumer ces fonctions seul pendant quelques semaines, car j'aurai probablement un assistant à l'été. C'est une question qui concerne le premier ministre. J'aime ce ministère et j'aime mon travail.

M. Dinsdale: Je remarque que les Indiens eux-mêmes ont demandé, de façon officielle, qu'il y ait quelqu'un qui soit responsable de cela, justement parce que la question est très importante et très pressante. Ils ont mentionné le fait que l'ancien ministre avait fait un excellent travail. Je pense que pour poursuivre les consultations et les discussions, il faudrait accéder à leurs désirs.

[*Texte*]

Mr. Chrétien: I will bring your suggestion to the attention of the Prime Minister.

Mr. Dinsdale: Secondly, in this matter of consultation are continuing discussions going on with the provinces? Because if our Indians are going to become first-class citizens then, of course, they will have their rights and privileges and responsibilities as citizens of the provinces.

What is the main difficulty in arriving at suitable arrangements with the provinces so that they might assume their role and responsibility to the Indians in this area?

Mr. Chrétien: We have made some good progress on these programs for transferring some of the responsibility to the provinces. In some provinces it is easier than in others.

The problem we face is always the cost. They are ready to take it if we pay 100 per cent of the cost forever. They are ready to do the service if we pick up the tab. That I do not completely agree with. I think they have to share the responsibility.

I mentioned only one area in answering Mr. Kaplan's question, namely, that when an Indian buys gasoline the tax goes to the provincial government. Yet when we discuss that with them they say, "The Indians are the responsibility of the federal government."

The constitution says that the responsibility of the federal government is for the Indians as Indians, and the Indian problem of land; but they are no less citizens of the provinces. When the provinces interpret this as meaning that they have nothing to do with the Indians, I do not agree with them. It is a kind of discrimination against the Indians.

Mr. St. Pierre: Would Mr. Dinsdale permit a supplementary on this point?

Mr. Chrétien, have you ever considered referring this matter to the Supreme Court of Canada for decision, as there seems to be a conflict of legal opinion?

Mr. Chrétien: No, I have not considered that idea at all. The constitution is there, and I think we have made a lot of progress. Many provinces have now begun to realize that the Indians are citizens of the provinces. In Ontario, for example, we have signed many agreements on welfare community development and education. And have done the same with other provinces. They are coming along.

[*Interprétation*]

M. Chrétien: Je ferai part de votre suggestion au premier ministre.

M. Dinsdale: Deuxièmement, au sujet des consultations, y a-t-il toujours des discussions avec les provinces? Parce que, si nos Indiens deviennent des citoyens de première classe, ils auront des droits, des privilèges, des responsabilités à titre de citoyens des provinces.

Quelle est la principale difficulté pour mettre au point des mesures convenables pour que les provinces puissent s'acquitter de leur devoir envers les Indiens?

M. Chrétien: Nous avons fait bien des progrès concernant ces programmes de transfert de responsabilités aux provinces. Dans certaines provinces c'est plus facile que dans d'autres.

Vous comprenez le problème que nous affrontons, c'est toujours celui du coût. Ils veulent toujours assumer leurs responsabilités si nous sommes prêts à payer 100 p. 100 de leur part des dépenses. Ils sont prêts à prendre les responsabilités si nous payons les frais. Je ne suis pas d'accord. Je trouve qu'il faut partager les responsabilités.

J'ai mentionné en répondant à M. Kaplan, tout à l'heure, que lorsqu'un Indien va acheter de l'essence, c'est le gouvernement provincial qui perçoit la taxe. Par contre, quand on en discute, on dit que les Indiens sont la responsabilité du gouvernement fédéral.

La constitution dit que le gouvernement fédéral est responsable des Indiens, parce que ce sont des Indiens, et il doit s'occuper des problèmes territoriaux de ceux-ci. Mais ils n'en sont pas moins citoyens des provinces. Et quand les provinces disent qu'elles n'ont rien à voir avec les Indiens, je ne peux pas être d'accord, parce que c'est une sorte de discrimination à l'égard des Indiens.

M. St-Pierre: Est-ce que M. Dinsdale me permettrait de poser une question supplémentaire à ce sujet?

Monsieur le ministre, avez-vous envisagé de référer cette question à la Cour Suprême du Canada, afin d'avoir une décision puisqu'il semble y avoir pas mal de conflit des opinions juridiques en la matière?

M. Chrétien: Non, je n'ai pas envisagé cette solution du tout. La constitution est là, et je pense que nous avons fait beaucoup de progrès. Plusieurs provinces commencent à se rendre compte que les Indiens sont des citoyens des provinces. En Ontario, par exemple, nous avons signé plusieurs accords en matière d'assistance sociale, de développement communautaire et d'éducation. Nous en

[*Text*]

Mr. St. Pierre: Thank you.

Mr. Dinsdale: Mr. Chairman, the Minister says that the provinces insist that the Indians will forever be the responsibility of the provinces. Is that quite accurate? Is it not a matter of coming to a suitable arrangement for a phasing-out program? We are moving into a entirely new area of responsibility. I think most provinces would be quite agreeable to some sort of phasing-out program over 20 years or so, as the Indian adjusts to his new status as a first class citizen, and that the provinces would be willing to assume their full responsibilities.

Mr. Chrétien: I am an optimist on that. Some of the provinces take quite a doctrinaire attitude and always use for their protection the clause of the constitution that mentions Indians and Indian lands. But we have made some progress lately on that, and the provinces are more flexible.

I agree with you that if we can work out some kind of joint arrangement for phasing-out over a period of years, I think we can find some agreement. They are beginning to respond quite positively on that. That is why I am quite optimistic.

Mr. Dinsdale: It seems to me, reading the reports of the so-called consultations, that they have been confrontations rather than consultations.

Mr. Chrétien: Oh, no.

Mr. Dinsdale: With Ottawa stating a position that the provinces are not willing to assume their responsibilities. I think the Minister almost said that this morning. I think the provinces are willing, on reasonable terms.

Mr. Chrétien: Yes, but I had discussions with some of the ministers when they were in Ottawa about three or four months ago for the Federal-Provincial Conference of Ministers of Health and one of then said, "We are willing to take it if you pay 200 per cent of the cost." That sort of statement, in terms of

• 1300

collaboration, is not too bright. It was not just 100 per cent; he wanted 200 per cent of the cost. If you call that collaboration, I am a bit surprised. It is not the kind of collaboration that you have mentioned.

[*Interpretation*]

avons fait de même avec d'autres provinces. Elles prennent le pas.

M. St-Pierre: Merci.

M. Dinsdale: Le ministre a dit que les provinces insistent que les Indiens seront toujours leur responsabilité. Est-ce exact? Est-ce que ce n'est pas une question de se mettre d'accord sur un programme de réduction progressive? Nous entrons dans un tout autre domaine de responsabilités. Je pense que toutes les provinces seraient tout à fait prêtes à accepter un tel programme de réduction progressive, sur une période de 20 ans, au fur et à mesure que l'Indien s'adapte à son nouveau statut de citoyen de premier ordre et que les provinces seraient prêtes à assumer leurs entières responsabilités?

M. Chrétien: Je suis optimiste à ce sujet. Certaines provinces adoptent une attitude très doctrinaire, relevant toujours les articles de constitution portant sur les Indiens et leurs terres pour se protéger. Mais nous avons fait quelque progrès récemment et les provinces sont un peu plus souples.

Je crois, comme vous, que nous pourrons arriver à un accord quelconque pour nous retirer progressivement sur une période d'années. Nous commençons à avoir des réponses assez positives à ce sujet et c'est pourquoi je suis plutôt optimiste.

M. Dinsdale: Il me semble, après avoir lu les rapports de ces prétendues consultations, que ce sont des confrontations plutôt que des consultations.

M. Chrétien: Pas du tout.

M. Dinsdale: Le gouvernement fédéral dit que les provinces ne sont pas prêtes à assumer leurs responsabilités. Je pense que le ministre l'a presque dit ce matin. Je pense que les provinces sont prêtes à le faire, à des conditions raisonnables.

M. Chrétien: Oui, mais j'ai discuté avec les ministres lorsqu'ils étaient à Ottawa, il y a trois ou quatre mois, pour la Conférence fédérale-provinciale des ministres de la Santé, et un ministre m'a dit: «Nous sommes prêts à assumer nos responsabilités si vous payez 200 p. 100 du coût.» Ce genre de déclaration, en termes de collaboration, ce n'est pas très brillant. Ils ne demandent pas seulement 100 p. 100 mais 200 p. 100 du coût. Si c'est ce que vous appelez de la collaboration, je suis quelque peu surpris. C'est peut-être le genre de collaboration que vous avez mentionné.

[*Texte*]

I agree with you that if we work out a program for helping the provinces for a certain period of years, after that the problem would be less difficult and they could assume more financial responsibilities, but, generally speaking, the attitude has often been, "We will take it if you pay 100 per cent of the cost". That creates quite a complex problem for us, because on that basis you are always going to keep the Indians as Indians.

Mr. Dinsdale: I think the Minister would get very fine co-operation if he would suggest some sort of formula that would represent a gradual withering away of federal responsibility.

Mr. Chrétien: Yes, I think we have to have more discussion with the provinces and, perhaps, a federal-provincial conference some day on the problem.

Mr. Dinsdale: We could go on and discuss this for a long time.

I know financial assistance for Friendship Centres comes from the Citizenship Branch. What is the role of the Indian Affairs Branch in Friendship Centres. I put the question because this is one of the most important contacts between the larger community and the Indians, particularly in the urban environment.

Mr. Chrétien: I think that you have touched upon a very important point. In the future we must look very much more into the problem of Indians moving into the big cities. I think that the shock in coming from a reserve to the city is quite pronounced and we have to do more in this connection.

Mr. Dinsdale: It is bad enough for us farm boys to adjust.

Mr. Chrétien: Yes, and the same thing applies to us from the bushland of Quebec—there are no farms but the lumber business employees are the ones who come to the big cities. I agree that we have to develop policies in that direction, but up to now the Friendship Centre program is under the Secretary of State division of Citizenship.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I would like to make a supplementary comment. The Minister said that we have to develop policies. I for one feel that this particular program is in a very good place—under the Citizenship Branch. One of the very important principles here is that the Citizenship Branch is trying to promote the people as citizens.

[*Interprétation*]

Je suis d'accord que si nous pouvons mettre au point un programme pour aider les provinces durant un certain nombre d'années, ensuite le problème sera moins difficile à régler et elles pourraient assumer plus de responsabilités financières, mais, de façon générale, l'attitude a souvent été, que «nous l'accepterons si vous payez 100 p. 100 du coût». Cela crée un problème assez complexe pour nous, parce que, de cette façon, vous allez garder les Indiens en tant qu'Indiens.

M. Dinsdale: Je crois que le ministre pourra avoir un très bon esprit de coopération s'il pouvait suggérer une formule qui représenterait une diminution progressive de la responsabilité fédérale.

M. Chrétien: Je crois qu'il nous faut poursuivre la discussion avec les provinces, et avoir peut-être une conférence fédérale-provinciale sur cette question.

M. Dinsdale: Nous avons discuté de cela depuis longtemps, le rôle du ministère des Affaires indiennes dans ces centres d'accueil. Quel est le rôle et l'intérêt du ministère des Affaires indiennes dans ces centres, parce que c'est là un des points de contact les plus importants entre les communautés blanches et les indiens surtout dans les grands milieux urbains.

M. Chrétien: Vous avez soulevé un point très important. A l'avenir, nous devrons étudier le problème des Indiens qui déménagent dans une grande ville. Le choc de passer de la réserve à la ville est très traumatisant, et il nous faut agir dans ce sens.

M. Dinsdale: Il est déjà assez difficile pour nos enfants des milieux ruraux de s'adapter.

M. Chrétien: Il en est de même pour nous aussi qui venons des bois de la province de Québec où il n'y a pas de fermes et il faut mettre au point des programmes dans cette direction mais comme vous le savez, ces centres d'accueil dépendent de la division de l'Immigration du Secrétariat d'État.

M. Marchand (Kamloops-Cariboo): Monsieur le président, j'aimerais faire un commentaire. Le ministre a dit qu'il pensait que ce programme est très bien placé dans le cadre de la division de la Citoyenneté. L'un des principes importants, c'est que la division de la Citoyenneté essaie de former des citoyens.

[*Text*]

I think it is wrong that Indian Affairs should try to be everything to the Indian people and that they should mother-hen them every place they go. After all we are people as well, human beings, and we should obtain our sources of service from the same places as other people are receiving them. I think it is a fundamental thing, and I think, Mr. Chrétien, that it is a good thing that your Department is staying away from this one. Perhaps you could do something on a consultative level by perhaps supplying certain expertise to the Citizenship Branch, but in a fundamental way I think it is wrong that Indian Affairs should get involved. Indian Affairs cannot mother-hen Indian people all over the place.

Mr. Dinsdale: I think it is a money problem again—there are not sufficient funds available from the Citizenship Branch.

The Chairman: Mr. Dinsdale, do you have many questions?

Mr. Dinsdale: I could go on for quite some time, but actually I had a luncheon appointment at 12.30 p.m.

The Chairman: I have one, too.

Mr. Dinsdale: I have some questions on parks, which is another area.

It is now 1.05 p.m. In the House of Commons we have regular set hours and are able to make appointments and so forth, but here we sort of drift along and we never quite know when we will be finished. This poses problems.

The Chairman: I was hoping, gentlemen, that we could terminate the questioning of the Minister today and then we could call him back if we needed him at any particular meeting. If members feel that they want to question the Minister further then we will simply have to call him back.

Mr. Chrétien: I cannot come back this afternoon.

Mr. Dinsdale: Perhaps he could come back at some mutually convenient time.

• 1305

The Chairman: Yes, on the parks question. And how about you, Mr. Cullen?

Mr. Cullen: I am agreeable to any suggestion.

The Chairman: Would the Committee agree on calling the Minister back for questions when we get back to parks in the estimates?

[*Interpretation*]

Le ministère des Affaires indiennes ne devrait pas s'occuper de tout pour les Indiens, et de jouer le rôle de la mère-poule. Après tout, nous sommes des êtres humains et nous devrions obtenir nos sources de service des mêmes sources que l'ensemble de la population et je vois que c'est une question fondamentale et je pense, M. Chrétien, que votre ministère ne devrait pas s'occuper de ces questions, peut-être au niveau consultatif ou vous pouvez donner quelques renseignements, des conseils à la division de la Citoyenneté, mais autrement le ministère des Affaires indiennes ne devrait pas s'occuper de cette question. Il ne faut pas constamment surprotéger les Indiens.

M. Dinsdale: Il y a encore la question des fonds. Il n'y a pas suffisamment d'argent en provenance de la division de la Citoyenneté.

Le président: Avez-vous encore plusieurs questions?

M. Dinsdale: Je pourrais poursuivre encore très longtemps, mais j'avais un rendez-vous pour dîner à 12h30.

Le président: J'ai aussi rendez-vous.

M. Dinsdale: Je voulais parler des parcs, mais c'est un autre domaine. Il est 13h05, à la Chambre des communes, nous avons des heures fixes, ce qui nous permet de prendre des rendez-vous, et ainsi de suite, mais ici les choses sont laissées à l'abandon et il ne semble pas possible de savoir quand les choses vont se terminer. C'est un problème pour nous.

Le président: J'espérais que nous aurions pu terminer d'interroger le ministre aujourd'hui, et on pourrait le rappeler une autre fois si nécessaire lors d'une autre séance. Si les députés ont d'autres questions à poser au ministre il faudra lui demander de revenir.

M. Chrétien: Je ne peux pas revenir cet après-midi.

M. Dinsdale: Est-ce qu'il pourrait revenir à un moment qui conviendra à tous?

Le président: Oui, pour étudier la question des parcs. Et vous, monsieur Cullen?

M. Cullen: J'accepte toutes les propositions.

Le président: Est-ce que le Comité est d'accord que nous demanderons au ministre de revenir lorsque nous étudierons les crédits destinés aux parcs?

[*Texte*]

I would remind the Committee that our steering committee decided that we would consider education and housing as our next subject. This may mean that it will be two or three weeks before the Minister comes back before the Committee.

Mr. Dinsdale: This is a problem that we will have to sort out in due course.

The Chairman: We will have the Report of the department before the Committee and we can question the Minister on the Report as well.

Mr. Dinsdale: As an old-timer I am used to wide open discussion on Estimates in the House of Commons.

Mr. Chrétien: Thank you very much for your question.

The Chairman: I have a motion to adjourn by Mr. Cullen. Thank you very much.

[*Interprétation*]

J'aimerais rappeler au Comité que notre comité directeur a décidé que nous allons maintenant étudier l'éducation et le logement. Donc le ministre ne reviendra pas avant deux ou trois semaines.

M. Dinsdale: C'est un problème qu'il faudra résoudre en temps et lieu.

Le président: Nous serons saisis du rapport du ministère et nous pourrons l'interroger à ce sujet également.

M. Dinsdale: Je suis un vétéran et je suis habitué aux discussions ouvertes sur les prévisions à la Chambre.

M. Chrétien: Merci beaucoup.

Le président: Monsieur Cullen a proposé qu'on ajourne. Merci beaucoup.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman Mr. IAN WATSON *Président*

LIBRARY
JUN 11 1969
UNIVERSITY OF TORONTO

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 23

WEDNESDAY, MAY 14, 1969

LE MERCREDI 14 MAI 1969

Respecting

BILL S-29,

Oil and Gas Production and Conservation Act.

Concernant

BILL S-29,

Loi sur la production et la conservation du pétrole et du gaz.

INCLUDING THE SECOND REPORT TO THE HOUSE

Y COMPRIS LE DEUXIÈME RAPPORT À LA CHAMBRE

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

20330—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*

Vice-Chairman Mr. Paul St. Pierre *Vice-président*

and Messrs.

et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
[2]Duquet,
Gundlock,
Laprise,
Marchand
(*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
[1]Smerchanski,
Southam,
Thomson
(*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(b)

[1]Replaced Mr. Kaplan May 14, 1969.
[2]Replaced Mr. Hymmen May 14, 1969

Conformément à l'article 65(4)b) du Règlement

[1]Remplace M. Kaplan le 14 mai 1969.
[2]Remplace M. Hymmen le 14 mai 1969.

REPORT TO THE HOUSE

The Standing Committee on Indian Affairs and Northern Development has the honour to present its

Second Report

Pursuant to its Order of Reference of Tuesday, April 15, 1969, your Committee has considered Bill S-29, An Act respecting the production and conservation of oil and gas in the Yukon Territory and the Northwest Territories, and has agreed to report it with following amendments:

In Clause 5, sub-clause 1, strike out in lines 2 and 3 of page 4, the words "only such persons as" and substitute the following therefor:

"at least two persons who".

In Clause 6, on line 42 of page 4, remove the period at the end of the clause, substitute a comma and insert immediately after the words "shares thereof", the following:

"provided further that no member who owns any shares of any company engaged in any phase of the oil or gas industry in Canada shall vote when a question affecting such a company is before the Committee."

In Clause 13, sub-clause 1, strike out all the words after the word "Act" in line 3 of page 9 and insert the following therefor:

"but a prosecution may be instituted for such an offence only with the consent of the Minister."

A copy of the Minutes of Proceedings and Evidence relating to this Bill (*Issues Nos. 19 to 21 and 23*) is tabled.

Respectfully submitted,

RAPPORT À LA CHAMBRE

Le Comité permanent des affaires indiennes et du développement du Nord canadien a l'honneur de présenter son

Deuxième rapport

Conformément à l'ordre de renvoi du mardi 15 avril 1969, le Comité a étudié le Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest, et est convenu d'en faire rapport avec les modifications suivantes:

Article 5, paragraphe (1), retrancher aux lignes 1 et 2 l'expression «ne nomme au Comité que les personnes» et la remplacer par l'expression

«nomme au Comité au moins deux personnes».

Article 6, à la ligne 39 de la page 4, retrancher le point à la fin de l'article, le remplacer par une virgule et insérer, immédiatement après les mots «au Canada», ce qui suit:

«toutefois, aucun membre qui est propriétaire d'actions émises par une compagnie qui participe à un stade quelconque de l'industrie pétrolière ou gazière au Canada ne peut voter lorsque le Comité est saisi d'une question afférente à cette compagnie.»

Article 13, paragraphe (1), retrancher tous les mots qui suivent le mot «loi», à la ligne 4 de la page 9, et les remplacer par ce qui suit:

«mais on ne peut intenter des poursuites pour une telle infraction qu'avec le consentement du Ministre.»

Un exemplaire des procès-verbaux et témoignages à ce bill (*fascicules nos 19 à 21 et 23*) est déposé.

Respectueusement soumis,

Le président,
IAN WATSON.
Chairman.

20330—1½

[*Text*]

MINUTES OF PROCEEDINGS

WEDNESDAY, May 14, 1969.
(24)

The Standing Committee on Indian Affairs and Northern Development met this day at 4:30 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Deakon, Duquet, Gundlock, Marchand (*Kamloops-Cariboo*), O'Connell, Orange, Simpson, Smerchanski, Southam, St. Pierre, Watson, Yewchuk—(15).

Witnesses: From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Mr. A. D. Hunt, Director, Northern Economic Development Branch (Economic Development); Dr. H. Woodward, Chief, Oil & Gas Division, Development Branch (Economic Development).

The Committee resumed consideration of Clause 5 of Bill S-29, An Act respecting the production of oil and gas in the Yukon Territory and the Northwest Territories and on the amendment of Mr. Orange.

> That Sub-clauses 4 and 5 of clause 5 be renumbered 5 and 6 and that a new sub-clause 4 be inserted as follows on page 4 of the Bill: "The headquarters of the Committee together with the staff of the Committee as described in subclause 3 shall be located either in the Yukon Territory or the Northwest Territories.

The Chairman ruled that while the amendment might involve the expenditure of additional funds by the Government, the amendment was a borderline case and thus he felt Mr. Orange should be given the benefit of the doubt. The Chairman then put the amendment to the Committee.

[*Traduction*]

PROCÈS-VERBAL

Le MERCREDI 14 mai 1969
(24)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit à 16 h. 30 sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Cullen, Deakon, Duquet, Gundlock, Marchand (*Kamloops-Cariboo*), O'Connell, Orange, Simpson, Smerchanski, Southam, St. Pierre, Watson, et Yewchuk—(15).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. J. A. MacDonald, sous-ministre, M. A. D. Hunt, directeur de l'expansion économique du Nord (Expansion économique), M. H. Woodward, chef, Division du pétrole et du gaz, Direction du développement (Expansion économique).

Le Comité reprend l'étude de l'article 5 du Bill S-29, Loi concernant la production et la conservation du pétrole et du gaz dans le territoire du Yukon et les territoires du Nord-Ouest, et de l'amendement proposé par M. Orange.

> Que les paragraphes (4) et (5) de l'article 5 soient renumérotés comme paragraphes (5) et (6), et que le paragraphe suivant soit inséré à la page 4 du bill comme paragraphe (4): «Le bureau central du Comité, ainsi que le personnel du Comité tel que décrit au paragraphe (3), doivent se trouver soit dans le territoire du Yukon soit dans les territoires du Nord-Ouest.»

La décision du président est que, bien que l'amendement proposé pourrait entraîner des dépenses supplémentaires de la part du gouvernement, l'amendement constitue un cas limite et qu'il faut, à son avis, accorder le bénéfice du doute à M. Orange. Le président met alors l'amendement aux voix.

[*Text*]

After debate and questioning of the witnesses, Mr. Cullen moved in amendment to the amendment of Mr. Orange that the following words be added at the end of the amendment "...when in the opinion of the Minister it is feasible to do so."

After further debate, by unanimous consent, Mr. Cullen withdrew his sub-amendment.

At the request of Mr. Yewchuk it was

Agreed: That the figures prepared by Mr. MacDonald showing the estimated costs of locating the Committee and its staff in either of the territories be printed an as appendix to the Minutes of Proceedings and Evidence of this day. (*See Appendix N*).

After further debate the question being put on the amendment of Mr. Orange it was negatived on the following division: YEAS—3; NAYS—9.

Sub-clause 4 of clause 5 carried.

Sub-clause 5 of clause 5 carried.

Clause 5 as amended carried.

On Clause 6

The witnesses were questioned and later Mr. Southam moved that clause 6 be amended by inserting the following on line 42 of page 4 of the Bill: "Provided that a member of the Committee who has a monetary interest of any description, directly or indirectly, in any property or in any business or undertaking to which this Act applies and carried on for the purpose of searching for, winning or getting, or for the purpose of gathering, collecting, processing, handling or distributing any oil or gas, shall not act or vote as a member of the Committee when a question affecting that interest or in which he is interested by reason of that interest is before the Committee."

After debate and further questioning of the witnesses, Mr. Southam, by unanimous

[*Traduction*]

Après débat et interrogatoire des témoins, M. Cullen propose un sous-amendement à l'amendement proposé par M. Orange pour qu'on y ajoute, à la fin, «...lorsque, de l'avis du ministre, il est possible de le faire.»

Après plus ample débat, du consentement unanime, M. Cullen retire son sous-amendement.

A la demande de M. Yewchuk.

Il est convenu,—Que les chiffres préparés par M. MacDonald sur les coûts approximatifs qu'entraînerait l'établissement du Comité et de son personnel dans l'un ou l'autre des territoires soient imprimés en Annexe aux procès-verbaux et témoignages de ce jour. (*voir l'Annexe N*).

Après plus ample débat, ledit amendement mis aux voix, est rejeté par le vote suivant: POUR: 3; CONTRE: 9.

Le paragraphe (4) de l'article 5 est adopté.

Le paragraphe (5) de l'article 5 est adopté.

L'article 5 modifié est adopté.

L'article 6

On interroge les témoins et M. Southam propose qu'on modifie l'article 6 par l'insertion, à la ligne 39 de la page 4 du bill, de ce qui suit: «à moins que le membre du Comité qui a, directement ou indirectement, un intérêt monétaire quel qu'il soit afférent à une propriété ou à toute entreprise qui tombe sous le coup de la présente loi et dont l'exploitation consiste à chercher ou à s'approprier, à collecter, accumuler, transformer, manutentionner ou distribuer du pétrole ou du gaz, n'agisse pas ou ne vote pas en sa qualité de membre du Comité lorsque le Comité est saisi d'une question qui touche cet intérêt ou à laquelle le membre s'intéresse en raison de cet intérêt.»

Après débat et plus ample interrogatoire des témoins, M. Southam, du con-

[*Text*]

consent, withdrew his amendment and moved that clause 6 be amended by inserting the following on line 42 of page 4 of the Bill immediately after the words "shares thereof": "provided further that no member who owns any shares of any company engaged in any phase of the oil or gas industry in Canada shall vote when a question affecting such a company is before the Committee".

After debate, the question being put on the amendment of Mr. Southam it was adopted on the following division: YEAS —8; NAYS—2.

Clause 6 as amended, carried.

On Clause 13

Mr. St. Pierre moved that sub-clause 1 be amended by deleting all the words after the word "Act" in line 3 of page 9 of the Bill and substituting the following therefor: "...but a prosecution may be instituted for such an offence only with the consent of the Minister".

After debate, the question being put on the amendment of Mr. St. Pierre it was adopted on the following division: YEAS —8; NAYS—2.

Sub-clause 1 of clause 13 as amended, carried.

Sub-clause 2 of clause 13 carried.

Clause 1 carried.

The Title carried.

The Bill, as amended, carried.

Ordered: That the Chairman report the Bill, as amended, to the House.

At 6:05 p.m. on motion of Mr. Borrie the Committee adjourned to Thursday, May 15, 1969.

[*Traduction*]

sentement unanime, retire son amendement, et propose que l'article 6 du bill soit modifié par l'insertion, immédiatement après les mots «au Canada.» à la ligne 39 de la page 4, de ce qui suit:

«Toutefois, aucun membre qui est propriétaire d'actions émises par une compagnie qui participe à un stade quelconque de l'industrie pétrolière ou gazière au Canada ne peut voter lorsque le Comité est saisi d'une question afférente à cette compagnie.»

Après débat, ledit amendement, mis aux voix, est adopté par le vote suivant: POUR —8; CONTRE—2.

L'article 6 modifié est adopté.

Article 13

M. St. Pierre propose que le paragraphe (1) soit modifié en retranchant tous les mots qui suivent le mot «loi», à la ligne 4 de la page 9, et en les remplaçant par ce qui suit:

«...mais on ne peut intenter des poursuites pour une telle infraction qu'avec le consentement du Ministre."

Après débat, ledit amendement proposé par M. St. Pierre est mis aux voix et adopté par le vote suivant: POUR—8; CONTRE—2.

Le paragraphe (1) de l'article 13 modifié est adopté.

Le paragraphe (2) de l'article 13 est adopté.

L'article 1 est adopté.

Le titre est adopté.

Le bill modifié est adopté.

Il est convenu,—Que le président fasse rapport du bill modifié à la Chambre.

A 18 h. 05, sur une proposition de M. Borrie, le Comité s'ajourne jusqu'au jeudi 15 mai 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

EVIDENCE

(Recorded by Electronic Apparatus)

Wednesday, May 14, 1969

• 1629

The Chairman: Gentlemen, I see a quorum. We are now on Clause 5. We have completed subclause (3) of Clause 5 and we now have under consideration an amendment proposed by Mr. Orange:

• 1630

> That a new subclause (4) be inserted in Clause 5 and that subclauses (4) and (5) be renumbered (5) and (6).
>
> "(4) The headquarters of the Committee together with the staff of the Committee, as described in subclause (3) shall be located either in the Yukon Territory or the Northwest Territories".

When the meeting adjourned on Tuesday, I was in the midst of a discussion as to whether or not this particular amendment was in order, and the doubt as to whether it was in order arose from the statement by Mr. Hunt who was our witness on Tuesday. Mr. Hunt is the director of the Northern Economic Development Branch. His testimony was to the effect that this would involve an additional expenditure of money.

I have come to the conclusion, after discussing this with the law officers of the Crown, that it is one of those borderline cases and I will therefore rule, because it is a borderline case, that Mr. Orange's amendment is in order. My view is that there is some additional expenditure of money involved but I admit it is a borderline case and therefore I feel I should rule that Mr. Orange's amendment is in order. It has not been clearly established that a substantial additional sum of money will be required in order to implement Mr. Orange's amendment.

Do any other members have any comments to make on Mr. Orange's amendment before I put the amendment? Mr. Deakon.

Mr. Deakon: Mr. Chairman, I would like to hear further from Mr. Orange on the advantages, if any, of this amendment.

The Chairman: Mr. Orange.

TÉMOIGNAGES

[Enregistrement électronique]

Le mercredi 14 mai 1969

Le président: Messieurs, nous avons le quorum. Nous en sommes maintenant à l'article 5 du bill. Nous avons terminé l'étude du paragraphe (3) de l'article 5, et nous en sommes maintenant à l'étude d'un amendement proposé par M. Orange:

> Qu'un nouveau paragraphe (4) soit ajouté à l'article 5 et les paragraphes (4) et (5) soient renumérotés comme paragraphes (5) et (6).
>
> «(4) Le bureau central du Comité, ainsi que le personnel du Comité tel que décrit au paragraphe (3), doivent se trouver soit dans le territoire du Yukon, soit dans les territoires du Nord-Ouest.»

Lorsque nous avons ajourné mardi dernier, nous étions en train de discuter l'opportunité ou la recevabilité de cet amendement; il y avait des doutes à ce sujet découlant de la déclaration de M. Hunt, notre témoin de mardi dernier. M. Hunt est directeur de l'Expansion économique du Nord. Son argument était que cela entraînerait une dépense supplémentaire.

J'en suis venu à la conclusion, après en avoir discuté avec des conseillers juridiques de la Couronne, qu'il s'agit d'un de ces cas limites; par conséquent, je déciderai, puisqu'il s'agit d'un tel cas, que l'amendement de M. Orange est recevable. Personnellement, je crois qu'il y aura une certaine dépense supplémentaire, bien sûr, mais il s'agit d'un cas limite, je l'admets, et par conséquent, j'estime que je dois accepter l'amendement de M. Orange. Il n'a pas été clairement établi qu'il y aura une dépense considérable dans ce cas-ci pour mettre en œuvre la proposition de M. Orange.

Y a-t-il d'autres questions ou observations de la part des membres au sujet de l'amendement de M. Orange, avant que je le mette aux voix? Monsieur Deakon.

M. Deakon: Monsieur le président, j'aimerais que M. Orange nous parle davantage des avantages de son amendement.

Le président: Monsieur Orange.

[*Text*]

Mr. Orange: Mr. Chairman, the proposed Act which is before us is to establish an oil and gas conservation system for the Yukon Territory and the Northwest Territories. It is intended to do in these northern territories basically what other conservation boards have done in other parts of Canada, Alberta and Saskatchewan particularly. It has been suggested in the past that one of the major reasons the Department of Indian Affairs and Northern Development is vested with the resource responsibility in relation to those things which are normally provincial in the North is that it separates it from other federal government activities. In other words, so that these activities which are provincial in nature are carried out by an agency which can carry out provincial-type activities.

I want to make it quite clear, Mr. Chairman, that I am not suggesting for one moment that the Northwest Territories or the Yukon Territory is looking for provincial status at this time. I cannot speak so much for the Yukon but I can speak for the Northwest Territories. We are not necessarily interested in provincial status as such.

• 1635

However, I suggest that the Department of Indian Affairs and Northern Development is managing resources in the Northwest Territories and the Yukon Territory in the same manner as a provincial authority would do. I think if you read the testimony you will see that one of the witnesses—and I think it was Mr. Hunt, although I do not want to be too specific about this—suggested that somewhere along the way a bill would be brought before Parliament regarding the control of water pollution and other matters of this nature in the Territories. I use this as an example of what the present organization intends to do. In other words, it is becoming provincial in nature.

Having given this background and with the growth of this provincial-type organization I suggest at this stage that as many of these activities as possible should be carried out in the area to be served. I am not arguing at this stage that the resources of the North and the benefits derived from these resources do not belong to the people of Canada. I am arguing that for administrative and other purposes the administration should be carried out in the area to be served. It is my concern—and rightly so, I think—that as this organization grows it will be related not only to the needs of the North but also the thinking of the North, the philosophy of the people who live in the North, and that it will be in tune with what Northern people see as the

[*Interpretation*]

M. Orange: Monsieur le président, le projet de loi à l'étude vise à établir un système de conservation du pétrole et du gaz pour le Yukon et les Territoires du Nord-Ouest. Cette loi va permettre qu'on fasse, dans ces territoires du Nord, ce que d'autres organismes de conservation ont fait dans d'autres parties du Canada, l'Alberta et la Saskatchewan en particulier. On a dit, dans le passé, que l'une des principales raisons pour lesquelles le ministère des Affaires indiennes et du Nord canadien est investi de la responsabilité des ressources, en fonction de ces choses qui sont normalement provinciales, dans le Grand Nord, c'est qu'il fallait distinguer cela des autres activités du gouvernement fédéral. Autrement dit, pour que ces activités, normalement provinciales, relèvent d'un organisme qui peut mener des activités de nature provinciale.

Je veux bien préciser, monsieur le président, que je ne veux pas laisser croire, un seul instant, que les Territoires du Nord-Ouest, ou le Yukon, cherchent à obtenir le statut de province. Je ne peux parler au nom du Yukon, mais je peux parler au nom des Territoires du Nord-Ouest. Ce n'est pas cela qui nous intéresse en particulier. Mais je dis que le ministère des Affaires indiennes et du Nord canadien gère les ressources des Territoires du Nord-Ouest et du Yukon de la même façon qu'une autorité provinciale le ferait. Si vous lisez les témoignages, vous verrez que l'un des témoins,—et je crois que c'est M. Hunt, mais je ne voudrais pas le jurer,—a dit que, d'une façon quelconque, on saisirait le parlement d'une loi concernant le contrôle de la pollution de l'eau et d'autres questions du genre, dans les Territoires. Je crois que c'est là un exemple de l'organisation actuelle et des buts qu'elle se propose. Autrement dit, cela devient d'une nature provinciale.

Suivant ces antécédents, et vu la croissance de cet organisme provincial, je dis que, à ce stade-ci, ces activités devraient être exécutées, dans la mesure du possible, dans la région à desservir. Je ne dis pas que les ressources du Grand Nord, et les profits qui en découlent, n'appartiennent pas au peuple canadien. Ce que je soutiens, c'est que, à des fins administratives et autres, il faudrait que l'administration se fasse dans la région à desservir. Ce qui m'intéresse, et à bon droit je pense, c'est que l'organisation prospère, qu'elle ne soit pas rattachée seulement aux besoins du Grand Nord, mais aussi à la pensée, à la philosophie des habitants du Grand Nord, et qu'elle soit au diapason de ce que les habitants considèrent comme l'usage de leurs

[*Texte*]

use of the resources in the area in which they live.

I think, Mr. Chairman, at this stage anyway, that some compelling arguments may be advanced by the administration about why it might not be desirable to move the committee into the North in the way that I suggest. I would be prepared, if we can reach some agreement on this, to insert a qualifying phrase to the effect that when the appropriate time comes this Committee should be moved. I have spokken with some of the offices of the Department and it is my interpretation of our discussions that I believe they intend to try to move these things into the area to be served as quickly as possible.

There are some initial logistical problems but they are not in terms of money, they are in terms of the size of the group involved, and so on. I feel, first, that it is important, whatever groups are involved, that they be in the area they are intended to serve. Second, if it is more practical at this stage to modify, possibly by axding to my amendment the words "when conditions warrant" or "when the level of activity warrants," or something along this line, that this would meet my requirement and the purpose of my amendment, and I think it might be satisfactory to the departmental people.

The Chairman: If it is satisfactory to the members of the Committee and if you have finished, perhaps we could ask Mr. MacDonald or Mr. Hunt to comment on this.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): On the proposed amendment, Mr. Chairman?

The Chairman: Yes, and any reservations you may have.

Mr. MacDonald: Mr. Chairman, I discussed this matter with the Minister who, as you know, is presently out of town and I obtained his views on this subject. This is a very difficult question. As Mr. Orange has noted, we are anxious to put the maximum amount of administration on the ground. This applies not only to the North, but to the Indian Affairs side, the conservation side, and we have built up regional offices. In the past year we have expanded our regional resource administration in both Territories.

• 1640

However, one thing which I think has been made clear by the various ministers of the

[*Interprétation*]

propres ressources, dans la région où ils vivent.

Je crois aussi, monsieur le président, qu'à ce moment-ci du moins, on peut invoquer des arguments solides de la part de l'administration pour ce qui est de la non-opportunité de situer le comité dans le Grand Nord, de la façon que j'ai proposée. Je serais prêt, si nous en convenons, d'apporter une réserve à mon amendement pour que, en temps voulu, le comité soit déménagé. J'en ai parlé aux fonctionnaires du ministère et c'est leur intention, si j'ai bien compris leurs propos, d'essayer d'orienter l'administration dans les régions à desservir, le plus tôt possible.

Il y a des problèmes qui se posent au départ, bien sûr, non pas d'ordre financier, mais en ce qui concerne l'ampleur de l'organisme, etc. Premièrement il importe, je crois, que, quels que soient les groupes en cause, ils soient dans les régions à desservir. Deuxièmement, s'il est plus pratique, à ce moment-ci, de modifier mon amendement, peut-être par l'ajout de certains mots, tels que, par exemple, «lorsque les conditions le justifient», ou «lorsque le degré d'activité le justifie», ou quelque chose de ce genre, cela répondrait aux exigences et objectifs de mon amendement, et je crois que cela serait satisfaisant pour les gens du ministère.

Le président: Si les membres du Comité sont satisfaits, et si vous avez terminé, peut-être pourrions-nous demander à M. MacDonald, ou à M. Hunt, de faire des observations à ce sujet.

M. J. A. MacDonald (sous-ministre, ministère des Affaires indiennes et du Nord canadien): Au sujet de l'amendement, monsieur le président?

Le président: Oui. Faites toutes les réserves que vous avez à apporter.

M. MacDonald: Monsieur le président, j'en ai discuté avec le ministre qui, comme vous le savez, est absent en ce moment, mais j'ai pu obtenir ses vues à ce sujet. C'est une question très difficile à trancher. Comme M. Orange l'a noté, nous sommes désireux de mettre l'organisation en branle, non seulement dans le Grand Nord, mais aussi dans les bureaux régionaux, pour ce qui est de la conservation, aux Affaires indiennes. Par le passé, nous avons agrandi nos bureaux qui s'intéressent aux ressources régionales des deux Territoires.

Mais il y a une chose qui a été clairement établie par les différents ministres, au nom du

[*Text*]

Department on behalf of the government is that it is stated policy that while there is and will be maximum devolvement of local government functions to the territorial administrations which are located in each of the territories for matters which could broadly be described as those things which affect the quality of local life, namely, education, welfare, local roads, municipal government, and so on, that the administration of the resources of the North is federal responsibility requiring enormous capital expenditures which are a charge on all the taxpayers of Canada and therefore should be administered on behalf of the people of Canada.

The type of committee that we are now talking about is one of those agencies, which like our economic staff and several other aspects of our administration now operating in this field, actually benefit more by being in contact with other experts in other federal government departments, in the provinces or in businesses.

If one were to make an argument for being located somewhere else than in Ottawa, there probably would be a better argument for locating in Calgary, because the considerations with which this Committee will have to deal, the people it will want to rely upon, are not found where the oil is found but where the industry congolomerates, where the experts are, either in private firms or in other administrations.

I think it is most unusual for Parliament to try to place a restriction on the executive arm as to where part of the Public Service will be located. This is a matter which must be judged from time to time according to the conditions which prevail from time to time.

One can probably agree with the desire to maximize the amount of administration which takes place within the Territories, and we are moving in that direction. But it is a very rigid thing to have it in the statute that the Committee will actually have to operate in that way. We would, of course, have the difficulty in choosing which Territory this Committee will operate in. It will certainly be less efficient from our point of view because as far as the Public Service members are concerned, the officers of our Department or the Department of Energy, Mines and Resources, those people who have an expertise in this field, to place them and the supporting staff in the Yukon would make it more difficult for us to operate.

Finally there is another problem and that is that this Committee will be unique in the Public Service of Canada and may at a subsequent time be required to perform a wider role with respect to responsibilities of the

[*Interpretation*]

gouvernement, c'est la politique déclarée, selon laquelle, alors qu'il y a et aura un accroissement progressif des pouvoirs de l'autorité locale, dans les Territoires, pour ce qui est des choses qui affectent en général la qualité de la vie dans ce territoire, l'éducation, le bien-être, le réseau routier, l'administration municipale, etc., l'administration des ressources du Grand Nord sont la responsabilité du gouvernement fédéral, ce qui exige beaucoup de dépenses en immobilisations qui sont imputées aux contribuables canadiens et, ainsi, devraient être administrées au nom du peuple canadien.

Ce genre de comités ou de conseils dont on parle maintenant comme notre personnel économique et bien d'autres secteurs de notre administration dans ce domaine, profitent du fait qu'ils sont en contact avec d'autres experts au sein du gouvernement fédéral ou dans les provinces ou dans l'industrie. Si le Comité devait siéger ailleurs qu'à Ottawa, on pourrait discuter peut-être de le situer à Calgary car le Comité devra envisager certains aspects de la question, je ne parle pas des découvertes de pétrole et de leur emplacement mais je parle des endroits où l'on trouve les experts dans l'industrie privée ou dans d'autres organismes semblables.

Il est inusité, je crois, pour le Parlement d'imposer des restrictions d'ordre administratif quant à la situation ou à l'emplacement des services. C'est une chose qu'il faut établir de temps à autre selon les conditions du moment. Par conséquent, on pourrait peut-être s'accorder sur le désir de favoriser l'administration interne dans les Territoires du Nord-Ouest, et nous allons dans cette direction. La loi en fera peut-être mention et bien sûr le Comité devra suivre ce qui est dans la loi; nous avons le choix bien sûr mais, à notre avis, ce serait moins efficace de l'avoir dans les Territoires mais pour ce qui est de la Fonction publique, de notre ministère ou du ministère de l'Énergie, des Mines et des Ressources, placer les experts dans ce domaine ainsi que le personnel de soutien au Yukon nous rendrait la vie beaucoup plus difficile.

Enfin, il y a un autre problème, c'est que ce Comité sera unique dans la Fonction publique du Canada et plus tard, on lui demandera peut-être d'exercer des fonctions plus étendues au sein du gouvernement fédéral, dans

[*Texte*]

federal government for this kind of thing. In this case the location in the North would not be particularly suitable, but that is something which has to come up and not yet been decided.

The Chairman: Mr. Borrie.

Mr. Borrie: I cannot understand Mr. MacDonald's thinking on that last point because the bill is specifically for the Yukon and the Northwest Territories and not an all-embracing bill covering other aspects.

Mr. MacDonald: We have to take into account that as technology and progress in these fields develop, the federal government will have similar problems and responsibilities off-shore. The administration that would be required is not yet established, but it is conceivable that this Committee could be serving both purposes.

Mr. Borrie: Off-shore where?

Mr. MacDonald: Off the Atlantic and Pacific coasts of Canada, which under the government's policy will be federally administered.

Mr. Borrie: This is what I do not understand. How can this be related to what lies off the east and west coasts when it applies only to the Yukon?

• 1645

Mr. MacDonald: When the administration of these areas reaches that point, an amendment might have to be sought in Parliament to extend the scope of this bill.

Mr. Borrie: It still does not fit in with my concept of what the bill stands for and what should be proposed legislation. I do not wish to get into an argument on this point.

Mr. MacDonald: There is an evident similarity in the administrative problems as far as the Government of Canada is concerned between the northern problems and those which we will encounter, when they occur, on the Atlantic and Pacific coasts. It might be decided that the right answer is separate administration. But it might also be decided to seek an amendment from Parliament to provide that this one vehicle cover both or all situations, because technically the problems are the same. It is necesesary to provide a regime for the development of oil and gas resources in all of these areas.

Mr. Borrie: That leads me to believe that this is the wrong type of bill to be presenting

[*Interprétation*]

ce domaine. Dans ce cas, son établissement dans le Nord, serait loin d'être approprié, mais il y a certaines choses qui pourraient se produire. La décision n'a pas encore été prise.

Le président: Monsieur Borrie.

M. Borrie: Je ne peux comprendre la pensée de M. MacDonald sur ce dernier point car il s'agit d'un bill qui porte sur le Yukon et les Territoires du Nord-Ouest et non sur d'autres aspects.

M. MacDonald: Il faut tenir compte d'une autre chose, c'est qu'à mesure que la technologie progresse dans ce domaine, l'administration fédérale aura à faire face à des problèmes et responsabilités analogues dans les régions au large des côtes. L'administration dont on aura alors besoin n'est pas encore établie, mais il est possible que ce Comité serve deux causes.

M. Borrie: Au large des côtes, où?

M. MacDonald: Au large des côtes de l'Atlantique et du Pacifique du Canada. C'est la politique du gouvernement que ces territoires relèvent de l'administration fédérale.

M. Borrie: C'est là ce que je ne comprends pas. Comment peut-on relier cela à ce qui se trouve au large des côtes est et ouest lorsqu'il ne s'agit que du Yukon?

M. MacDonald: Lorsque l'administration de ces régions en arrivera à ce point, alors le gouvernement pourra peut-être apporter une modification qui élargisse la portée du projet de loi.

M. Borrie: Cela ne correspond pas encore une fois à ma conception du bill, à ce qu'il prône et aux mesures législatives qui devraient être proposées. Je ne veux pas entamer une discussion sur ce point.

M. MacDonald: Il y a une analogie évidente avec d'autres problèmes administratifs qui se posent au gouvernement canadien au sujet du Grand Nord et ceux qui pourraient surgir sur les côtes atlantique et pacifique. On pourrait opter en faveur d'une administration distincte. On pourrait aussi tenter d'obtenir du Parlement un amendement de sorte que cette mesure législative puisse s'appliquer aux deux situations, ou à toutes, car au point de vue technique les problèmes sont les mêmes. Il s'agit essentiellement de prévoir un régime qui assure l'expansion des ressources de pétrole et de gaz dans toutes ces régions.

M. Borrie: Cela m'amène à croire que ce n'est pas là le bill qu'il faudrait présenter en

[*Text*]

at this time, and that it should be an all-encompassing bill which would take in off-shore mineral rights as well.

Mr. MacDonald: No, except that there is urgency about this because in the North we are actually in development drilling at this time, and it is quite urgent that we have this kind of statutory authority to control anything that may develop. We are very much in danger of being caught out. This bill has been in the planning stage for a long time. Drilling and exploration in the North is far more advanced than it is in the much more difficult areas off-shore. Off-shore areas have a technical potentiality but there are still very much in the preliminary stage at this time.

Mr. Borrie: I will drop that point for the time being, Mr. Chairman, and go back to another statement that Mr. MacDonald made. He stated that large sums of money are being expended by the federal government in the development of the resources in the Northwest Territories and the Yukon, and that therefore the control should be centralized in the Ottawa area.

Mr. MacDonald: No, sir, I stated it was a responsibility of the federal government and not of the territorial government.

Mr. Borrie: Okay. I am corrected on that point. However, the large amounts of money that would be expended for the development of this Committee and for activities would not be that much greater if its offices were located in the Yukon or the Northwest Territories. Or would it?

Mr. MacDonald: Yes.

Mr. Borrie: Why do you expect that?

Mr. MacDonald: Because in the first five to eight years we will be operating with part-time people who do other jobs in the Department and in the Department of Energy, Mines and Resources. We could not possibly appoint full-time staff to do this, who have nothing else to do. You see, there is not that much activity yet. It is difficult to predict the progress of this industry. Development is going on now, but it might be—I am just guessing—four or five years or more before we would have any state of activity comparable to what goes on in an established area like Alberta.

[*Interpretation*]

ce moment, et qu'il faudrait un projet de loi qui englobe tous les droits miniers, y compris ceux des régions au large des côtes.

M. MacDonald: Non, c'est que la situation est urgente dans le Grand Nord, nous sommes en train de faire du forage pour mettre ces terrains en valeur, et il est très urgent que nous ayons cette autorité statutaire pour nous permettre de contrôler tout ce qui pourrait survenir. On pourrait se faire prendre. Il y a déjà un bon bout de temps qu'on prépare cette loi. Les travaux d'exploration et de forage dans le Grand Nord sont beaucoup plus avancés que les travaux au large des côtes où c'est beaucoup plus difficile. Les régions au large des côtes offrent des possibilités du point de vue technique mais les travaux en sont encore actuellement au stade préliminaire.

M. Borrie: J'aimerais laisser ce point de côté pour le moment, monsieur le président, et revenir à une déclaration faite par M. MacDonald. Il a dit que le gouvernement fédéral dépensait beaucoup d'argent pour l'expansion des ressources dans le Yukon et les Territoires du Nord-Ouest, et que par conséquent il faudrait centraliser le contrôle dans la région d'Ottawa.

M. MacDonald: Non, monsieur, j'ai dit que cela relevait du gouvernement fédéral et non du gouvernement territorial.

M. Borrie: Merci. Je m'excuse de l'erreur, mais pour ce qui est de la formation du Comité et de ses fonctions, cela ne coûterait pas beaucoup plus cher si ses bureaux se trouvaient au Yukon ou dans les Territoires du Nord-Ouest. Est-ce bien le cas?

M. MacDonald: Oui.

M. Borrie: Qu'est-ce qui vous fait penser cela?

M. MacDonald: C'est que pour les cinq ou huit premières années nous aurons un personnel à temps partiel qui remplira d'autres fonctions à notre ministère et au Ministère de l'Énergie, des Mines et des Ressources. Il nous serait impossible d'avoir un personnel à temps plein, on n'a pas le choix. Vous voyez, il n'y a pas tellement d'activité jusqu'ici. Il est difficile de prédire quelle sera la croissance de cette industrie. On fait des forages en ce moment mais il se peut que ce soit dans quatre ou cinq ans, peut-être, que l'activité pourra se comparer à ce qui se fait dans l'Alberta.

[*Texte*]

Mr. Borrie: This is an urgent piece of legislation, and yet it is going to require only part-time administration.

Mr. MacDonald: All you need is one discovery to bring the province to the fore. Decisions must be made by law.

Mr. Borrie: Which would activate the Committee and the staff that it would have. Is this right?

Mr. MacDonald: Yes, that is right. But the volume of business would not be great even though the decisions had to be made in law and with statutory backing. All you have to do is have one discovery. We have it now at Pointed Mountain with gas. All you have to do is have one and then others close by to bring out these adjudication functions. But

• 1650

the volume may not be great. The volume is only the result of further exploration and development.

Mr. A. D. Hunt (Director, Northern Economic Development Branch, (Economic Development), Department of Indian Affairs and Northern Development): Perhaps I can explain some of the technical problems facing us for which we really need this statute. The Pointed Mountain gas field where there are now four wells and the Beaver River gas field which crosses really from Northern British Columbia into the Yukon are in all probability going to be tied into the West Coast transmission pipeline system either next construction season or the year after. Before these fields continue their development, we are very badly in need of the authority that is contained in this bill to establish, for example, the size of the spacing units in the field. We have to define the limits of the field. We have to have authority to define the maximum rate of efficient production.

The purpose of this bill is to make sure that a gas field or an oil field is not produced at such a fast rate that we damage the reservoir or, shall I say, waste the reservoir energy.

So we need this authority to deal with only these two fields. And lacking that authority there is a possibility that the companies will be free, if you like, to develop the field as they saw best in their own self-interest. I want to be careful here. I do not want to appear to be suggesting that the company will necessarily do this. But it does mean that if we and the company had a difference of opinion on the best way to develop the field we would have no authority really to go ahead and try to impress our opinion on the compa-

[*Interprétation*]

M. Borrie: Il s'agit d'un projet de loi urgent, et pourtant on n'aura besoin que d'un personnel à temps partiel.

M. MacDonald: Il ne suffit que d'une seule découverte pour que tous les problèmes surgissent. Il faut adopter une mesure législative.

M. Borrie: Ce qui activerait le travail du Comité et du personnel qu'il aurait. Est-ce bien cela?

M. MacDonald: Oui, mais le volume des affaires ne serait pas tellement élevé, même s'il faut prendre les décisions avec l'appui statutaire. Tout ce qu'il faut c'est une découverte. Jusqu'ici nous avons découvert du gaz à Pointed Mountain. Il s'agit de faire une deuxième découverte, et puis encore d'autres pour que l'on ait besoin de l'arrêt de la loi. Mais cela ne veut pas dire qu'il y a beaucoup d'activité. Ce sera là le résultat des travaux d'exploration et d'expansion qui se poursuivent.

M. Hunt (Directeur, Direction d'expansion économique du Nord, (Expansion économique), ministère des Affaires indiennes et du Nord Canadien): Peut-être puis-je expliquer certains des problèmes auxquels nous devons nous mesurer et qui exige une telle loi. Le champ de gaz de Pointed Mountain où il y a déjà quatre puits et celui de la rivière Beaver qui traverse la Colombie-Britannique jusqu'au Yukon, sera fort probablement relié au réseau de pipelines de l'Ouest qui sera construit l'an prochain ou dans deux ans. Avant de continuer la mise en valeur de ces gisements, nous avons besoin de l'autorité de ce bill pour établir, par exemple la délimitation des unités. Il nous faut fixer les limites du champ. Nous avons besoin des pouvoirs pour définir le taux maximum de production efficace. Le présent bill a pour objet d'assurer que l'on ne fasse pas produire un gisement de gaz ou de pétrole à un rythme tellement rapide que l'on endommage les réservoirs ou, devrais-je dire, que l'on gaspille l'énergie des réservoirs.

Il nous faut l'autorité de cette loi pour pouvoir nous occuper ne serait-ce que de ces deux champs, sans quoi il est possible que les sociétés prennent toute liberté, si vous voulez, de mettre le champ en valeur comme elle l'entend. Il me faut faire preuve de prudence. Je ne veux pas sembler insinuer que la société le fera nécessairement. Mais cela signifie que s'il y a une divergence d'opinion entre la société et nous-mêmes au sujet de la mise en exploitation, nous n'aurions pas le pouvoir d'imposer nos vues sur la société en

[*Text*]

ny without this Bill. So that those are the two most pressing cases immediately.

After that there is Norman Wells, which so far of course, because of the direct government interest or ownership in the field, we have had no trouble with. But this really should come under the Bill. There are some other gas wells in the area south of the Mackenzie River and north of Alberta that may come into production shortly thereafter and, again, we need to do the same—and of course if there are any discoveries that we hope may come along in the interim.

Mr. Borrie: Then you feel that the establishment of an office in Ottawa result in the staff being able to move much more quickly because of its location here rather than in the Yukon or the Territories?

Mr. Hunt: I think the problem here is that initially we have to deal, as I have said, with these two specific cases immediately. Immediately this authorization is available to us we will start work on these two particular cases. After that there may be no more for another year, until the next field is ready to go into production, and so the staff we would have to engage, if it had to be placed in the north for this purpose, would then have no more work, and of course it was the intention that we would use the people we already have on staff to do this work.

You know, they are busy but they can always find time, shall we say, to work on one or two fields for this purpose. You need a petroleum geologist, you need a reservoir engineer and a general administrator to deal with each one of these cases. We have these and there would seem to us to be little point in duplicating these people at this time. I think this is the problem, if we had to do it immediately.

Mr. Borrie: Mr. Chairman, if I might ask Mr. Orange a question, do you feel that the interests in the north will not be as effectively administered by an office located in Ottawa as one located in the Northwest Territories?

Mr. Orange: Not necessarily in that way, Mr. Borrie. I suggest that if the activity is to be in the north in this particular instance the group responsible for the activity should be located in the area of the activity.

Mr. Simpson: Mr. Chairman, the amendment apparently was moved before I got into the meeting.

[*Interpretation*]

question sans ce projet de loi. Par conséquent, ce sont les deux cas les plus pressants à régler.

Nous n'avons pas eu jusqu'à maintenant de difficultés avec le puits Norman parce que le gouvernement a certains intérêts économiques ou est propriétaire du champ. Cela devrait vraiment relever de ce projet de loi. Il y a d'autres puits de gaz dans la région située au sud du fleuve MacKenzie et au nord de l'Alberta qui pourraient être exploités peu après et nous devrons faire de même naturellement, si nous voulons faire des découvertes entre-temps.

M. Borrie: Vous pensez donc que la création d'un bureau à Ottawa permettrait au personnel de se déplacer beaucoup plus rapidement que dans le Yukon ou les territoires du Nord-Ouest.

M. Hunt: Le problème c'est qu'au début nous devons traiter immédiatement de ces deux cas. Dès que nous serons autorisés, nous nous mettrons à la tâche. Après, il n'y aura probablement rien pendant une autre année avant que le prochain champ soit mis en exploitation. Si l'effectif que nous devrions recruter était installé dans le nord, il n'y aurait plus de travail et, naturellement, nous comptions employer le personnel que nous avons pour accomplir cette tâche.

Vous savez, ces gens sont très occupés mais ils peuvent toujours trouver du temps, si l'on veut, pour travailler dans deux ou trois champs. Vous avez besoin d'un géologue en pétrole, d'un ingénieur des réservoirs et d'un administrateur général pour régler chacun de ces cas. Vous les avez et ils nous sembleraient ne pas avoir lieu de faire double emploi de leurs services maintenant. Si nous devions le faire sur-le-champ, je crois que cela serait le problème.

M. Borrie: Puis-je demander une question à monsieur Orange? Trouvez-vous que les intérêts économiques dans le Nord ne seraient pas administrés avec autant d'efficacité par un bureau situé à Ottawa que par un bureau dans les territoires du Nord-Ouest?

M. Orange: Pas forcément de cette manière, monsieur Borrie. Si l'activité doit se dérouler dans le nord dans ces cas particuliers, j'estime que les responsables doivent être installés dans la zone d'activité.

M. Simpson: La modification en question a, semble-t-il, été proposée avant que j'arrive.

[*Texte*]

The Chairman: It was moved at the last meeting.

Mr. Simpson: However, I was very interested in Mr. MacDonald's remarks on stated government policy dealing with where the headquarters of this commission should be. He mentioned that much of the work at the start will be part-time.

I notice that it says that the committee shall consist of five members, not more than three of whom shall be employees in the Public Service of Canada. This makes me wonder whether it has already been decided that the full quota of three will be Public Service members, leaving two people from outside the Public Service. The Act, as I read it,

• 1655

actually does not call for three, it says "not more than three of whom". Could this not mean that there could be two from the Public Service and three appointed from outside the Public Service?

Mr. MacDonald: Most certainly, but I think at an earlier meeting of the committee when it was concerned about the conflict of interest of persons from private industry, we actually put it the other way—we gave assurances that initially it would be three from the Public Service for the reasons I have indicated just now in connection with the question of part-time people. But under the statute there would be nothing to prevent the government increasing the numbers of persons outside the Public Service up to the full complement of five, if they wanted to.

Mr. Simpson: Are you at liberty to say whether these officers have been already selected?

Mr. MacDonald: No, we have not selected them yet. I would like to add to my answer, Mr. Simpson, by making the distinction, too, between the committee and the supporting staff. A number of my remarks were directed to the supporting staff which we could furnish the committee on a part-time basis.

Mr. Simpson: The reason I am asking whether three of them are definitely going to be Public Service people is that it would certainly be hoped, in conjunction with the amendment and the possibility of having a headquarters in the north, that as time goes on, possibly not at the start, other people from the north—and I do not mean people not qualified—who, if this oil development continues up there, will be closely associated with the petroleum industry, would be

[*Interprétation*]

Le président: Elle a été présentée à la dernière séance.

M. Simpson: Toutefois, je m'intéressais aux remarques de monsieur MacDonald lorsqu'il a évoqué certains aspects de la politique gouvernementale à propos de l'emplacement du siège social de cette commission. Il a déclaré qu'une grande partie du travail sera exécuté au début à temps partiel.

Je remarque qu'il stipule que le comité doit être formé de cinq membres, dont trois au plus doivent appartenir à la Fonction publique du Canada. Je me demande donc si la décision a déjà été prise à savoir que les trois membres soient tous des fonctionnaires et que les deux autres membres soient recrutés hors de la Fonction publique. D'après mon interprétation, la loi ne prévoit pas catégoriquement trois, elle indique «dont trois au plus». Cela pourrait-il signifier que deux membres seraient fonctionnaires et que les trois autres proviendraient de l'extérieur de la Fonction publique?

M. MacDonald: Très certainement. Mais je crois qu'à une réunion précédente, où le comité s'est préoccupé du conflit d'intérêt des personnes qui viennent de l'entreprise privée, nous avions mis la chose différemment. Nous avions garanti qu'au début, il y en aurait trois de la Fonction publique, pour les raisons que j'ai indiquées au sujet des employés à temps partiel. Mais en vertu du règlement, rien n'empêcherait le gouvernement à accroître le nombre des personnes provenant de l'extérieur jusqu'à concurrence de cinq, s'il le désire.

M. Simpson: Pouvez-vous dire si ces directeurs ont déjà été choisis?

M. MacDonald: Non, nous ne les avons pas encore choisis. J'aimerais préciser ma réponse en établissant une distinction entre le comité et le personnel de soutien. Bon nombre de mes remarques étaient adressées au personnel de soutien qui pourrait assister le comité à temps partiel.

M. Simpson: Je soulève cette question pour savoir si ces trois personnes seront des fonctionnaires, ce qu'on peut espérer, en ce qui a trait à la modification, et la possibilité d'installer le siège social dans le Nord, où avec le temps, pas nécessairement au début, on nommera d'autres personnes originaires du Nord, je ne parle pas de personnes incompétentes, mais si l'exploration pétrolière continue à prospérer, ils collaboreront étroitement à l'industrie du pétrole. Il se pourrait que ces per-

[*Text*]

appointed. You might find that such people would be ideally suited for such a committee. If such were the case you might get to the point where there would be two public servants and three appointed from the north.

In that event how could you reconcile the fact that it would be easier for these people to take time off to come down to Ottawa than it would be for the people who are appointed from the Public Service in Ottawa to take relatively the same amount of time to go to meetings that would be conducted in the headquarters in the north.

Mr. MacDonald: Mr. Simpson, the point I made earlier was that the distinction has to be made, additionally between committee members who may be called to sit. Obviously, all committee members are part-time by definition almost. It is not likely to be a full-time job. It is the staff element that we are talking about. All we are saying is that the proposed amendment is rigid in requiring it to be located in the north immediately or by any specific time without regard to the work volume and the continuity of it.

The possibility of people from the north who have the expert qualifications being appointed is a valid one and the statute as drafted now has that flexibility. There is nothing to prevent the government from appointing such people. In many cases it obviously would be very desirable to do that.

Mr. Simpson: Thank you.

Mr. Smerchanski: Mr. Chairman, does the Department have any personnel doing this type of work at the present time?

Mr. MacDonald: We have people who have the qualifications.

Mr. Smerchanski: But are they actively engaged in this type of work at the present time?

Mr. MacDonald: This kind of work is not being done at the present time because we have no statutory basis to do it, but we have people who are working in the field.

Mr. Smerchanski: When you grant a drilling licence is there no stipulation at the present time on the spacing out of the location of your wells or some control on the development of exploratory wells?

Mr. Hunt: Yes. We operate at the moment under what we call the Canada drilling and production regulations, made subject to the Territorial Lands Act, and these regulations,

[*Interpretation*]

sonnes soient aptes à faire partie de ce Comité. Si tel était le cas, on pourrait avoir deux fonctionnaires et trois personnes originaires du Nord.

A ce moment-là, comment pourrait-on concilier le fait qu'il soit plus facile pour ces gens de se libérer pour venir à Ottawa, qu'il ne le serait pour les fonctionnaires d'Ottawa, de prendre à peu près le même temps pour aller aux réunions tenues au siège social dans le Nord.

M. MacDonald: Monsieur Simpson, auparavant, j'ai indiqué qu'il fallait faire la distinction entre les membres du comité, qui peuvent être appelés à siéger. Évidemment, tous les membres du comité sont employés à temps partiel, presque par définition. Cela deviendra sans doute un emploi à plein temps. Il s'agit du personnel, dans ce cas-là. Tout ce que nous disons, c'est que le projet de modification est rigoureux parce qu'il exige que le siège social soit situé dans le Nord, immédiatement ou dans une période de temps déterminée, sans tenir compte du volume et de la continuité du travail. Il est possible évidemment que vous ayez raison de dire qu'on peut trouver des personnes compétentes dans le Nord. La rédaction actuelle du statut permet cette élasticité. Il n'y a rien qui puisse empêcher le gouvernement de nommer ces personnes.

M. Simpson: Merci.

M. Smerchanski: Monsieur le président, le ministère n'a-t-il pas des employés qui s'occupent de ce genre de travail à l'heure actuelle?

M. MacDonald: Nous avons des personnes compétentes en la matière.

M. Smerchanski: Se consacrent-t-elles à ce travail à l'heure actuelle?

M. MacDonald: Nous n'effectuons pas ce genre de travail à l'heure actuelle, parce qu'il n'est régi par aucun statut, mais nous avons des personnes qui travaillent dans ce domaine.

M. Smerchanski: Lorsqu'on accorde un permis de forage, ne stipule-t-on, pas à l'heure actuelle, sur l'emplacement de vos puits et sur le contrôle de la mise en exploitation des puits d'exploration?

M. Hunt: Oui. Notre exploitation dépend du Règlement canadien sur la production et le forage, qui tombe sous le coup de la Loi sur les terres territoriales. Ces règlements per-

[*Texte*]

are a condition of the granting of a permit or lease. However, they really cover only such things as safety of the drilling operation, which includes ensuring that the well is properly drilled, that has what are called proper blow-out preventers to stop a sudden blow of gas and to control it, that adequate casing—this is a steel tube—is run into the hole and that if the well is abandoned it is properly sealed with cement so that it will not seep salt water and so on afterwards.

• 1700

However, the present regulations which we have and which it would be our initial intent of course to bring under this new statute should it be approved, do not provide in any way for matters of well spacing and so far we have simply achieved, shall we say, what we hoped to be a desirable spacing through the co-operation of the industry. On a wildcat well, where there is no oil or gas for miles around, spacing does not really enter into it, and the well is drilled where the geologist thinks is the exact, best spot. However, once that well finds something, then spacing in that new oil or gas field has to be determined, and this is what we cannot do.

To come to your question about the people on staff, we have on staff two petroleum engineers in Calgary; we have in Ottawa a petroleum and a reservoir geologist, one of each, and a reservoir engineer. It is these people, particularly in Ottawa, who would be available to the Committee to provide the technical backup to the Committee for determining the desirable spacing and so on for these fields. But because there will be so few fields to deal with initially, these men can do this work within their normal work cycle.

Mr. Smerchanski: Do you safety standards come under conservation as well?

Mr. Hunt: Yes.

Mr. Smerchanski: So that you would put this under this Act?

Mr. Hunt: Yes, sir.

Mr. Smerchanski: The other thing is, really conservation comes into play providing you have some means of disposing of the production if a productive field is discovered. Is this correct?

Mr. Hunt: Yes. I think that conservation really comes into play a little before that too, because it is a bit of a chicken and egg proposition: the company will not drill a very large

[*Interprétation*]

mettent d'accorder un permis ou un bail. Mais il ne prévoit pas vraiment la sécurité des opérations de forage qui inclut la garantie que le puits soit foré de manière qu'il soit équipé de dispositifs préventifs qui éclatent pour arrêter une explosion soudaine de gaz et pour assurer le contrôle, que l'enveloppe, ou tuyau d'acier, passe dans un trou et que si le puits est abandonné, qu'il soit hermétiquement fermé avec du ciment de façon à ce qu'il ne filtre pas d'eau salée et autres choses du genre par la suite.

Mais les règlements que nous avons et que nous aimerions naturellement intégrer dans le nouveau statut, s'il est adopté, ne prévoient pas la distance entre les puits, ou jusqu'à présent, nous avons pu, nous l'espérons, espacer suffisamment les puits grâce à la collaboration de l'industrie. Mais lorsqu'il s'agit de l'exploitation d'un puits là où, sur une distance de plusieurs milles, il n'y a pas de pétrole ou de gaz, la question de l'espacement n'entre pas en ligne de compte. Le puits est foré là où le géologue pense que c'est le meilleur endroit. Lorsqu'on y trouve un gisement, il faut prévoir l'espacement approprié entre les champs pétrolifères, mais on ne peut le faire.

Pour en revenir à votre question concernant le personnel, nous avons deux ingénieurs à Calgary et à Ottawa; nous avons un géologue spécialisé dans les réservoirs, un géologue de pétrole et un ingénieur spécialisé dans les réservoirs. Ces spécialistes, surtout à Ottawa, pourraient, grâce à leurs connaissances dans le domaine technique, prêter leur concours au comité pour déterminer l'espacement approprié entre les champs. Vu qu'il y aura très peu de champs au début, ces hommes peuvent effectuer leur tâche suivant un cycle de travail donné.

M. Smerchanski: Les normes de sécurité sont-elles basées sur des règlements de conservation?

M. Hunt: Oui.

M. Smerchanski: Alors vous considéreriez ce domaine, en vertu de la loi?

M. Hunt: Oui, monsieur.

M. Smerchanski: Monsieur le président, la conservation entre en jeu si vous avez des moyens d'écouler la production lorsqu'un champ lucratif est découvert? Ai-je raison.

M. Hunt: Oui. Je pense que la conservation entre en jeu bien avant cela, parce que ça serait mettre la charrue avant les bœufs si la compagnie creusait des puits sans s'assurer

[*Text*]

number of potentially productive wells unless it can see that it has possibly a market. But very often the company finds itself in the position of having to drill a certain minimum number in order to prove up to a pipeline company that it is worthwhile building the pipline to the field. So, it is a little difficult to say exactly which one should have the more emphasis placed on it. But we will get situations where companies are drilling wells to prove up reserves to attract pipeline companies.

Mr. Smerchanski: Therefore, this is not a new project or a new program? Is this correct? You have certain people in the Department now who are administering this kind of proposition?

Mr. Hunt: That is right, and what they need, of course, to carry out their administration is the statute authorizing them to go ahead and apply what they really have already been working on.

Mr. Smerchanski: Do the personnel you have in Calgary operate from an office of their won in Calgary?

Mr. Hunt: Yes, they do.

Mr. Smerchanski: How to you co-ordinate the Calgary office operation with Ottawa?

Mr. Hunt: We co-ordinate very closely with telex and telephone, of curse, and with delegation of responsiblity to the officer in charge. He is called an Oil Conservation Engineer and he is a petroleum engineer. We established this office in Calgary because his primary responsibility at this time is as a petroleum engineer, rather than a reservoir engineer—there is a little difference here.

His chief responsibility is to issue first of all drilling authorities, and he does not issue a drilling authority unless he is satisfied that the company will drill the hole properly, will have safe equipment, and will run proper casing and maintain proper blow out prevention control. He is charged with the responsibility of going into the field which he does at regula intervals to inspect the actual drilling of the wells. He now has the authority, this far at least, that he can shut down drilling if he feels that it is unsafe. But he cannot go beyond that; he cannot say to a company that they are drilling their wells too close or, if

• 1705

they were in production, he cannot tell them how to run their project.

[*Interpretation*]

d'avoir des débouchés. Il arrive que la compagnie doive forer un certain nombre de puits pour prouver à une compagnie d'oléoducs que la liaison de l'oléoduc du champ peut être rentable. Il est très difficile de savoir dans quel domaine mettre l'accent. Mais il peut arriver que les compagnies fassent des forages dans le but d'attirer des compagnies de pipelines.

M. Smerchanski: Monsieur le président, il ne s'agit pas d'un programme ou d'un projet nouveau? Vous avez des membres du personnel qui travaillent à ce genre de choses?

M. Hunt: Oui c'est exact, et ils ont besoin, pour poursuivre leur travail, que la loi les y autorise et ils doivent mettre en pratique ce qu'ils ont déjà fait.

M. Smerchanski: Votre personnel qui est disponible à Calgary, occupe-t-il son propre bureau à Calgary?

M. Hunt: Oui.

M. Smerchanski: Comment coordonnez-vous l'activité des bureaux de Calgary avec celle d'Ottawa?

M. Hunt: Nous avons une collaboration étroite grâce au Telex et au téléphone et grâce à la délégation de pouvoirs à l'agent en fonction. On l'appelle ingénieur de la conservation du pétrole. C'est un ingénieur de pétrole. Nous avons établi ce bureau à Calgary, parce que cet ingénieur devait d'abord agir en tant qu'ingénieur de pétrole et non en tant qu'ingénieur spécialisé dans les réservoirs. Il y a ici une légère différence.

Sa première responsabilité est de permettre de forer, mais il ne le fait que lorsqu'il est convaincu que la compagnie effectue le forage comme il le convient avec le matériel adéquat, et qu'elle assure un bon revêtement du puits et un contrôle contre les explosions. Il doit visiter les champs à intervalles réguliers pour inspecter les travaux de forage. Il peut ordonner l'arrêt des opérations des forages pour des raisons de sécurité. Mais il ne peut pas aller au delà de ses pouvoirs et dire à la compagnie qu'elle a effectué des forages trop près d'un autre puits. Si ces puits fonctionnaient il ne peut pas leur dire comment mener leurs travaux.

[*Texte*]

Mr. Smerchanski: Would this conservation be similar to what is practised in Saskatchewan and in Alberta production fields?

Mr. Hunt: Essentially the same, yes.

Mr. Smerchanski: If there is an office now being operated in Calgary, why is it that you cannot operate with an office outside Ottawa for this additional work that might come up?

Mr. Hunt: I was trying to make the distinction between the petroleum engineer; we have called him a conservation officer, but I suppose really he should be called a drilling inspector; I think this would be a better term. He is a petroleum engineer. The people we have in Ottawa are what we call reservoir engineers and reservoir geologists and they are the people who come into play when one starts to determine well spacing and rates of production, and they, initially anyhow, if they can do their work from Ottawa, will have the benefit, of course, of calling on their opposite numbers in other government agencies for advice if they need it. As we have tried to point out, these people are engaged on other matters at this time. The point is, until you have a full-time occupation for these professional people it is going to be very difficult to staff anywhere else and it is going to be very difficult to keep people if you can only give them a part-time job—in addition to the extra expense of course.

Mr. Smerchanski: Do you have any reservoir engineers now who are working actively on this type of work?

Dr. Woodward: Only to the extent of reserve evaluation. As Mr. Hunt has explained, there are essentially no development wells, except possibly at Pointed Mountain where there are four at the moment. Each of these have actually been drilled as wildcat wells, one separate from the other. So the deployment of our reservoir engineer at the moment is essentially a matter of assessing the reserves in single well discoveries. Very rarely are there any offset wells drilled because at the moment there are no markets. Even though these people have the qualifications, both by academic training and prior employment, to handle these types of things, and indeed with companies they have done so in the past, their scope at the moment is not full deployment on this type of work.

Mr. Smerchanski: In other words, if I understand this correctly, you do not have

[*Interprétation*]

M. Smerchanski: Cette conservation se rattache-t-elle à celle des champs de production d'Alberta et de Saskatchewan?

M. Hunt: Oui, c'est exact.

M. Smerchanski: Monsieur le président, s'il y a un bureau régional installé à Calgary, pourquoi ne peut-on pas installer un bureau à l'extérieur d'Ottawa au cas où il y aurait des travaux supplémentaires à faire?

M. Hunt: J'essayais de faire la distinction entre un ingénieur du pétrole que nous avons appelé le chef de la conservation, mais je crois vraiment qu'on devrait l'appeler inspecteur de forage, qui serait un terme plus exact. C'est un ingénieur du pétrole. Les personnes qui sont à Ottawa sont ce qu'on appelle les géologues de réservoir et des ingénieurs de réservoir, ces gens dont la compétence entreront en jeu lorsqu'il s'agira de déterminer la distance entre les puits et le taux de production. Au début, s'ils peuvent accomplir leur travail d'Ottawa, au début tout au moins, ils pourront profiter de la compétence de leurs homologues dans d'autres organismes du gouvernement pour obtenir des conseils au besoin. Comme nous avons voulu le signaler, ces personnes se consacrent à d'autres travaux en même temps. Avant d'avoir un emploi à plein temps pour ces spécialistes, il sera très difficile d'envoyer le personnel ailleurs et de garder ces spécialistes si on ne peut que leur donner un travail à temps partiel, en plus des dépenses supplémentaires naturellement.

M. Smerchanski: Avez-vous des ingénieurs de réservoir qui se consacrent à ce genre d'entreprise?

M. Woodward: Selon l'évaluation des réserves. Comme l'a expliqué M. Hunt, il n'y a pas de puits d'expansion, à l'exception probablement, de Pointed Mountain qui en compte quatre. Tous ont été forés, comme les puits éloignés les uns des autres. Le travail d'un ingénieur de réservoir consiste essentiellement à évaluer les réserves d'un puits qui vient d'être découvert. Il y a très rarement des puits de réserve parce qu'il n'y a pas de marchés. Même si ces personnes ont la compétence, soit la formation universitaire et une expérience, pour effectuer ce travail. Ils l'ont fait dans le passé. Leur champ d'activité, pour le moment, ne dépasse pas les cadres qu'on a décrits.

M. Smerchanski: Autrement dit, si j'ai bien compris, vous n'avez aucun spécialiste qui

[*Text*]

anybody who is actively working in the direction of a reservoir engineer.

The next question that follows is, if you are going to set up this department and if you have reason to utilize services of a reservoir engineer, would you then hire a new man or would you use somebody in the Department?

Mr. Hunt: We would use the people who are already one our staff in the Department and who are professionally qualified in this field.

Mr. Smerchanski: What are those people doing now, if you are going to take them off from other work?

Mr. MacDonald: Doing the work that is preliminary to the application of this statute and related work. They will continue to do other matters which are involved in the administration and development of policies, but they have the capacity to provide the technical advice that this statute will require and this Committee will require.

Mr. Smerchanski: Does that mean, that we now have the reservoir engineers hired and engaged on a standby basis but they are doing something else? Is this correct?

Mr. MacDonald: No. This job is like any other job. You deal with your orders of priorities of the jobs you have to do. You face this problem whenever you have an uneven workload. As Mr. Hunt pointed out earlier, there might be a year's spacing between things. We have this all the time. We have a complement of staff which we try to fit as closely to the workload as possible, but there are always discontinuities or breaks in it from which we then ship to lower order priority work and vice versa. This is a normal function of management.

Mr. Smerchanski: Does a reservoir engineer have to go to the field quite often? How often does he have to go to do his work as a reservoir engineer in a production field?

Mr. Hunt: A reservoir engineer really does not have to go to the field.

Mr. Smerchanski: Am I right in assuming, then, that this staff that you now have in your Calgary office would be sufficient to do

• 1710

the actual physical work or examination in a producing field, and that this information will be relayed back, supposedly to Ottawa or wherever headquarters are, and then you would bring into play personnel who qualify as reservoir engineers.

[*Interpretation*]

s'occupe de diriger un ingénieur de réservoir.

Si vous allez instituer ce service et si vous avez l'occasion d'utiliser les services d'un ingénieur de réservoir, allez-vous employer un nouveau spécialiste et une personne du ministère?

M. Hunt: Nous engagerions des personnes qui sont déjà à l'emploi du ministère et qui sont qualifiées dans ce domaine.

M. Smerchanski: Quel est l'emploi actuel des personnes à qui vous allez confier d'autres travaux?

M. MacDonald: Elles font des travaux préalables à l'application de ce règlement et des travaux connexes. Elles s'occuperont d'autres travaux requis dans l'administration et l'élaboration de la politique, mais elles peuvent donner des conseils techniques qui seront nécessaires au statut et au comité.

M. Smerchanski: Dois-je en conclure que nous avons des ingénieurs de réservoir qui font d'autres travaux?

M. MacDonald: Ce travail ressemble à un autre travail. Il s'agit de respecter l'ordre des priorités, dans les tâches que nous devons accomplir. Ce problème surgit chaque fois que le travail est inégal. Comme l'a souligné M. Hunt, vous pouvez avoir un écart d'un an entre les deux tâches. Cela se produit tout le temps. Nous essayons de maintenir le personnel de réserve dans un domaine aussi rapproché que possible de leur travail. Mais il y a toujours des écarts et des ruptures et nous nous consacrons alors à d'autres tâches moins importantes et vice versa. C'est un travail quotidien de gestion.

M. Smerchanski: L'ingénieur de réservoir doit-il aller très souvent sur le terrain? Combien de fois doit-il aller sur le terrain pour faire le travail d'un ingénieur de réservoir?

M. Hunt: Un ingénieur de réservoir n'a pas vraiment besoin de se rendre sur le terrain.

M. Smerchanski: Ai-je raison de dire que le personnel à votre bureau à Calgary suffit pour faire le travail ou l'examen actuel dans le champ de production et que ces renseignements seront renvoyés, censément à Ottawa ou là où sera établi le siège social et que vous feriez entrer sur scène des personnes qui ont la compétence des ingénieurs de réservoir?

[*Texte*]

Mr. Hunt: Yes. This is essentially the situation.

Mr. Smerchanski: Would you have to hire more people to do the reservoir engineering if this comes into play?

Mr. Hunt: Not at this time, no. More people would be strictly a function of significant increase in production in the North.

Mr. Smerchanski: In other words, you have qualified reservoir engineer personnel on a standby basis for this particular work if it should develop? Is that correct?

Mr. Hunt: Yes, we do.

Mr. MacDonald: I would like to correct any implication that "standby basis" means they are standing by doing nothing. They are doing the work for which they are professionally qualified but they have the capacity, as we have at any time, to take on additional tasks if they are not too great.

Mr. Smerchanski: I appreciate that Mr. Chairman, but the fact of the matter, as I understand it, is that you will have to hire new personnel to do this specific job. The next question I come up with is is it better to do this work in Ottawa, in Calgary or in the Northwest Territories? What is the advantage? It seems that you now have a field office in Calgary that you are working out of and I cannot understand why these two people from Calgary are not located in Ottawa if you want to concentrate your efforts in Ottawa.

Mr. MacDonald: I do not think we have any particular objective about concentrating our efforts in Ottawa. The people in Calgary are there so they will be close to the petroleum industry.

Mr. Smerchanski: Then, Mr. Chairman, does this not bear some relationship to the fact that perhaps this entire operation should be based in Calgary?

Mr. MacDonald: Mr. Chairman, we are trying to avoid rigidities of any kind. We put two people in Calgary because there is a specific job to be done there. We have other people in Ottawa because that is now the most effective way of performing that function. We have people in the Northwest Territories and we have people in the Yukon Territory. We are trying to avoid writing into a statute where we must have these people. You normally do not do that because circumstances change. We are devolving an enormous number of things to the Northwest Ter-

[*Interprétation*]

M. Hunt: Oui, c'est en gros la situation actuelle.

M. Smerchanski: Faudra-t-il engager d'autres personnes pour faire ce travail, s'il y a lieu?

M. Hunt: Pas à l'heure actuelle. Plus de gens dépendront de l'augmentation importante de la production dans le Nord.

M. Smerchanski: Autrement dit, vous avez un personnel de réserve compétent en la matière, pour le cas où leurs services étaient requis.

M. Hunt: Oui.

M. MacDonald: J'aimerais préciser que le terme «de réserve» ne veut pas dire qu'ils ne font rien; ils font le travail pour lequel ils sont compétents, mais ils ont la capacité, comme nous, de faire d'autres tâches additionnelles si elles ne sont pas trop difficiles.

M. Smerchanski: Monsieur le président, je comprends, mais le fait est que, si je comprends bien, vous devrez recruter d'autres personnes pour faire ce travail en particulier. L'autre question que je voulais vous poser est s'il serait préférable de faire ce travail à Ottawa, à Calgary ou dans les Territoires du Nord-Ouest? Quels sont les avantages? Il semble que vous voulez avoir un bureau sur les lieux à Calgary, qui vous sert de base, mais ce que je ne peux pas comprendre, c'est pourquoi ces deux personnes ne sont pas à Ottawa plutôt qu'à Calgary si vous voulez centrer vos efforts à Ottawa?

M. MacDonald: Je ne pense pas que nous ayons l'objectif de centrer nos efforts à Ottawa. Les gens de Calgary y sont pour être près de l'industrie du pétrole.

M. Smerchanski: Monsieur le président, est-ce qu'il n'y aurait pas de rapport alors avec le fait que toute cette opération soit centrée à Calgary?

M. MacDonald: Monsieur le président, nous nous efforçons d'éviter toutes rigidités. Nous avons deux personnes à Calgary parce qu'il y avait un travail particulier à faire. Nous avons d'autres gens à Ottawa parce que c'est la façon la plus efficace de faire le travail. Nous avons des gens dans les Territoires du Nord-Ouest et au Yukon. Tout ce que nous tentons d'éviter, c'est de mettre par écrit, dans un statut, que nous devons avoir ces gens. Il n'est pas nécessaire de le faire habituellement parce que les circonstances changent. Nous déléguons beaucoup de pouvoirs

[*Text*]

ritories and the Yukon, but it is not done by statute. It is done by devolving a delegation as circumstances change.

Mr. Smerchanski: Do you feel, in terms of travel time and administration that is required in a producing field, if and when you get one, that it is an advantage to be closer to that field, or does it matter?

Mr. MacDonald: It depends on the functions that one is performing. If they involve frequent visits to the...

Mr. Smerchanski: I mean the one we are talking about here, specifically conservation.

Mr. Hunt: From the point of view of the actual field operation, the officer or public employee who would be in the field would be the petroleum engineer. Indeed, if there is a significant increase in drilling, as we are forecasting, I think I shall very soon be recommending that we do indeed establish a petroleum engineer. I would not want to say where, but it might be at Yellowknife, it might be at Inuvik and it might be at Fort Simpson, and he would be the man who would, if you like, visit the rigs and who would make sure that we knew exactly what was going on at each well. However, from the reservoir engineering aspect and the more complicated conservation aspects, that is, reservoir energy, unitization, and so on, this job is done in an office, not in the field, using electric logs, geological samples, cores and cuttings, and using all the information on the field very often in a computer in an office. It is not a field type of occupation.

Mr. Smerchanski: Mr. Chairman, I thought I was straightened away on this but I still find it a little confusing. Does this mean that at the present time the logs and your results of an exploratory well or a well that is producing are physically moved from the exploration field to Ottawa?

Mr. Hunt: All the logs and the actual technical data on the well is distributed. Copies are sent to Ottawa and copies are retained in Calgary. The companies, of course, have several copies. They are just paper that you can move around. The cores and the samples are physically located in Calgary under the supervision, actually, of the Geological Survey of Canada, the Institute of Sedimentary and Petroleum Geology in Calgary.

[*Interpretation*]

aux Territoires du Nord-Ouest et au Yukon, mais ce n'est pas fait par voie statutaire. Nous le faisons par voie de délégation des pouvoirs selon les circonstances.

M. Smerchanski: Croyez-vous que, à l'égard du temps consacré aux voyages de l'administration qui s'impose pour un champ en production, dans une telle eventualité, il serait avantageux d'être près du gisement ou est-ce que cela importe peu?

M. MacDonald: Tout dépend de la tâche à accomplir s'il faut se déplacer souvent pour se rendre...

M. Smerchanski: Je parle de la tâche en question, la conservation.

M. Hunt: Du point de vue des opérations réelles sur le terrain, le fonctionnaire ou l'employé en place serait l'ingénieur du pétrole. De fait, s'il y a une augmentation considérable des forages, comme nous le prévoyons, je recommanderai prochainement que l'on envoie sur les lieux un ingénieur du pétrole. Je ne voudrais pas dire à quel endroit ce sera, peut-être à Yellowknife, à Inuvick, ou à Fort Simpson, et ce sera lui qui se rendra au derrick et qui nous tiendra au courant de ce qui se passe à chacun des puits. Mais du point de vue de l'ingénieur de réservoirs, et des aspects complexes de la conservation, soit l'énergie des réservoirs, le regroupement, et ainsi de suite, c'est un travail qui se fait au bureau, non pas sur le terrain, en utilisant les enregistrements electroniques des résultats, échantillons géologiques, les carottes et les tailles, en fait tous les renseignements disponibles sur le gisement, souvent même au moyen d'un ordinateur au bureau. Ce n'est pas un travail qui se fait sur le terrain.

M. Smerchanski: Je croyais que j'avais réussi à comprendre ce qu'il en était à ce sujet mais je trouve cet aspect un peu obscur. Est-ce que cela veut dire qu'à l'heure actuelle les résultats d'un puits d'exploration ou d'un puits qui est en exploitation sont envoyés de l'endroit où se fait l'exploration à Ottawa?

M. Hunt: Les enregistrements des résultats et les données techniques sur le puits sont distribués. On en envoie des exemplaires à Ottawa et on en conserve à Calgary. Les sociétés en conservent plusieurs exemplaires. Ce ne sont que des documents que vous pouvez facilement transporter. Les échantillons et les carottes sont à Calgary sous la surveillance en fait de la commission géologique du Canada et de l'Institut de sédimentologie et de géologie du pétrole à Calgary.

[*Texte*]

• 1715

Mr. Smerchanski: Mr. Chairman, does this mean that because most of your technical data is on record in Ottawa that this is where the reservoir engineer should be located in order that he will have access to this backlog of information so that he can make a proper evaluation of the conservation that he is trying to bring about?

Mr. Hunt: Yes. In fairness, however, I think one should say that the information is in files and it can be moved anywhere. Our sole point is that the man we will use in the office to work on this reservoir engineering aspect simply will not be fully engaged on this work in the initial stages.

Mr. Smerchanski: Is it probable that you would have to draw on the department of geology within your organization on a broader scale, which would involve two, three or four petroleum geologists, in order to give this man a hand so that he can be guided into a proper decision?

Mr. Hunt: We now receive some information from the Geological Survey of Canada on geological aspects of the drilling.

Mr. Smerchanski: Do you use this in conjunction with the work that the reservoir engineer would be expected to do?

Mr. Hunt: Yes. Mind you, we have a reservoir geologist on staff as well.

Mr. Smerchanski: Thank you, Mr. Chairman.

Mr. Cullen: I just have a couple of questions, Mr. Chairman. At first blush I was prepared to support this amendment. Then, having heard about the possibility of using the personnel in Ottawa on other jobs in conjunction with this, it seemed to me that if we used this amendment—with the greatest respect, Mr. Orange—we would be trying to run before we could walk. Then I heard Mr. Orange say that there should be some kind of a time limit, for example, that this should not be done immediately, and if he added to his amendment something along the lines of "when the Minister in his discretion shall decide", or something like that, I could then go for the amendment.

However, I think if it is imposed at this time it will force the Department to hire extra personnel, to spend additional money and to hire people for full-time work who

[*Interprétation*]

M. Smerchanski: Est-ce que cela veut dire, monsieur le président, qu'étant donné que la plupart de vos données techniques sont conservées à Ottawa, que c'est l'endroit où les ingénieurs en matière de réservoirs devraient se trouver pour avoir accès à ces sources de renseignements afin de pouvoir faire une évaluation de la conservation qu'ils s'efforcent de mettre en œuvre?

M. Hunt: Oui. Je crois qu'en toute justice on pourrait ajouter que les renseignements sont dans les dossiers qu'il est possible de transporter n'importe où. Tout ce que nous voulons dire à ce sujet c'est que celui qui travaillera dans les bureaux à ce travail d'ingénieur en matière de réservoirs ne travaillera pas uniquement à cela au début.

M. Smerchanski: Il est probable que vous devrez faire davantage appel à notre service de géologie, ce qui exigera deux, trois ou quatre ingénieurs du pétrole, qui viendront en aide à cet ingénieur et lui prodigueront leurs conseils pour lui permettre de prendre la décision qui s'impose.

M. Hunt: Nous recevons actuellement des renseignements de la commission géologique du Canada sur les aspects géologiques du forage.

M. Smerchanski: Est-ce que vous utilisez les renseignements pour le travail que l'ingénieur en matière de réservoirs doit faire?

M. Hunt: Oui, nous avons aussi dans notre personnel un géologue en réservoirs.

M. Smerchanski: Merci, monsieur le président.

M. Cullen: Seulement quelques questions, monsieur le président. J'étais en faveur de cet amendement au début, mais maintenant que j'ai entendu parler des possibilités d'utiliser le personnel d'Ottawa à d'autres tâches connexes, il me semble que si nous utilisons cet amendement, sauf le respect que je vous dois, M. Orange, nous tentons de courir avant même de pouvoir marcher. Ensuite M. Orange a demandé s'il ne faudrait pas fixer un temps limite, qu'on ne le fasse pas immédiatement, et s'il ajoutait quelque chose à son amendement en ce sens, «lorsque le ministre, par son pouvoir de discrétion, décide» ou quelque chose du genre, je serais alors en faveur de l'amendement.

Je pense toutefois que si on l'impose à l'heure actuelle, on obligerait le ministère à engager du personnel additionnel, dépenser des fonds additionnels, et à engager des gens

[*Text*]

will be doing part-time work. This is the way it appears to me.

I draw as an analogy the fact that International Nickel explored the eastern part of the Arctic and did a tremendous amount of exploration work and they had their headquarters in Sudbury or in Copper Cliff, but when they actually developed what is now Thompson, Manitoba, they moved their staff in because that is where they could do the job better. I do not know if the analogy is perfect but, with the greatest respect, if Mr. Orange would add to his amendment "when the Minister in his discretion shall decide" I could support him. Without that I feel we are moving too fast or putting too much of a restriction on the Department. This is just a representation. I have no questions, Mr. Chairman.

The Chairman: Are you going to move a subamendment to this effect, Mr. Cullen.

Mr. Cullen: In his comments Mr. Orange indicated that he would be prepared to insert some kind of a time limit. If he does not wish to do this, I would suggest adding "when the Minister in his discretion shall decide".

The Chairman: Is that the end of your comments?

Mr. Cullen: Yes, Mr. Chairman.

The Chairman: Are you going to propose a subamendment to this effect?

Mr. Cullen: Are you going to add to your amendment or do you wish me to add a subamendment?

Mr. Orange: I think it becomes a matter of wording, Mr. Chairman. In my earlier remarks I indicated that I believe the Department does need some flexibility but I also believe that they should have the move as an objective. Regardless of all the pious protestations that any person could make, and I do not say this with disrespect to anyone, I think I would like to see something along this line so that we as parliamentarians and the Department will know that this is an objective. It seems to me that your suggestion of "whenever the Minister feels it is necessary" or "whenever the level of activity warrants", or something along these lines, would meet the objective I am trying to set out. I do not know whether it would be satisfactory to the Department.

Mr. MacDonald: When, in the opinion of the Minister it is feasible to do so, then the Minister will exercise discretion.

[*Interpretation*]

à plein temps alors qu'ils n'auront du travail qu'à temps partiel.

J'établis un parallèle avec l'International Nickel qui ont fait de l'exploration dans l'est de l'Arctique. La société a fait un travail d'exploration considérable. Elle a établi son siège social à Sudbury ou à Copper Cliff, puis quand ils se sont installés à Thompson au Manitoba ils ont envoyé leur personnel sur les lieux. Je ne sais pas si l'analogie est valable mais je crois qu'avec tout le respect que je dois à M. Orange, que c'est le ministre qui devrait pouvoir, à sa discrétion prendre la décision. Nous ne tentons pas d'aller trop vite, de restreindre les activités du ministère. C'est seulement une observation que je veux faire, merci monsieur le président.

Le président: Voulez-vous déposer un sous-amendement à cet effet, monsieur Cullen?

M. Cullen: Monsieur Orange, dans ses commentaires a souligné qu'il était prêt à insérer une date limite dans le texte. Enfin, s'il ne veut pas le faire, je propose que l'on ajoute «lorsque le ministre, à sa discrétion, doit en décider».

Le président: Est-ce que c'est là la fin de vos commentaires?

M. Cullen: Oui, monsieur le président.

Le président: Est-ce que vous proposez un sous-amendement à cet effet?

M. Cullen: Est-ce que vous voulez l'ajouter à votre amendement ou est-ce que je dois en faire un sous-amendement?

M. Orange: J'ai indiqué dans mes remarques au début que le ministère a besoin de souplesse mais qu'on devrait avoir comme objectif d'avoir une liberté d'action mais quelles que soient les protestations que l'on puisse faire, je ne dis pas cela en visant quelqu'un en particulier, j'aimerais voir se faire quelque chose dans ce domaine, afin que nous, en tant que députés et membres du comité, sachions que tel est l'objectif poursuivi. Il me semble que votre suggestion, à savoir la phrase «si le ministre estime que cela est nécessaire ou quel que soit le niveau d'activité, si le niveau d'activité le justifie,» remplirait notre objectif. Enfin, pour moi c'est l'objectif que je tente de poursuivre...

M. MacDonald: Si le ministre estime que c'est possible de le faire, c'est donc le ministre qui prendra la décision.

[*Texte*]

Mr. Cullen: In my opinion, Mr. Chairman, that gives the Opposition something to hang their hat on if the Minister is slow in moving

• 1720

in this area or he has to answer in the House as to why he has not taken action. If we vote the amendment in without that, then it is open and shut. It struck me that as a compromise I could move as a subamendment to the amendment "when the Minister in his discretion shall decide". You suggested some other wording which I have just...

Mr. Smerchanski: Mr. Chairman, may I make a suggestion? Why not let Mr. Orange and Mr. Cullen get together. If Mr. Orange were to withdraw his initial amendment and present a new one would that dispense with it?

The Chairman: There are three other members who have indicated they wish to speak to this. In the meantime I wonder if Mr. Cullen and Mr. Orange could get together. Mr. O'Connell.

Mr. O'Connell: I just wanted to talk along the same line as Mr. Cullen did. I do not think it wise to ask Parliament to direct the government to locate this Committee in any specific place. It is not in the statute now and I think we would be premature in directing that it be located in any specific place. I think we are very strong on the record now that our preference is to have it located in the North as quickly as possible. I am quite prepared to support the proposed change but I would not have supported the original proposal.

The Chairman: Mr. Deakon.

Mr. Deakon: Well, I do not think there is much more to be said. I have been listening to the arguments pro and con and to my learned friend the geologist, Mr. Smerchanski whom, may I add, may be a good man for the job, but I fail to see what significance there is to putting in this rider. Either go with the amendment or just leave it the way it is, because there is enough discretion in the Minister's hands right now. All you are doing is saying what you have there right now. It does not make any difference to me.

Mr. Yewchuk: I just wanted to comment on Mr. Cullen's subamendment. If it really makes the whole thing meaningless why put the amendment in in the first place? If you are going to put in that subamendment, just forget about it.

[*Interprétation*]

M. Cullen: A mon avis, monsieur le président, c'est donner à l'opposition la possibilité de s'accrocher quelque part si le ministre est trop lent à agir dans ce domaine, il aura à répondre à la Chambre de son manque d'initiative ou de son manque d'action. Il faut qu'une porte soit ouverte ou fermée. Il me semble que le compromis serait que je propose un sous-amendement. Vous avez proposé de rédiger le sous-amendement d'une autre façon que je viens...

M. Smerchanski: Monsieur le président, puis-je faire une suggestion? Pourquoi M. Cullen et M. Orange ne pourraient-ils pas se rencontrer et voir s'ils ne peuvent pas en arriver à un accord, et présenter un nouvel amendement?

Le président: Que devons-nous faire, alors? Il y a trois autres membres qui veulent parler à ce sujet. Entre-temps je pense que MM. Cullen et Orange pourraient se réunir. M. O'Connell.

M. O'Connell: Je voulais parler du même sujet que M. Cullen. Je ne crois pas qu'il soit sage de demander au Parlement de donner des directives au gouvernement, d'établir le Comité à un endroit précis. Ce n'est pas dans la loi en ce moment et je crois que nous agirions prématurément en demandant que le Comité soit installé à un endroit en particulier. Nous avons déjà indiqué que nous préférons qu'il soit établi dans le nord, le plus tôt possible. J'appuie donc la modification proposée, mais je n'aurais pas appuyé la proposition originale.

Le président: Monsieur Deakon.

M. Deakon: Je ne crois pas qu'il reste encore beaucoup de choses à dire. J'ai écouté le pour et le contre des débats, et mon savant ami le géologue, M. Smerchanski, qui, puis-je ajouter, serait un homme compétent pour accomplir cette tâche, mais je n'arrive pas à saisir ce que signifie l'adjonction de cette clause additionnelle. Ou bien vous approuvez l'amendement ou vous le laissez tel quel; le ministre a déjà suffisamment de pouvoirs discrétionnaires. Tout ce que vous faites, vous répétez ce que vous avez là déjà. Quant à moi, cela m'est bien égal.

M. Yewchuk: Je voudrais juste commenter sur le sous-amendement de M. Cullen. Si cela rend toute la chose inutile pourquoi présenter l'amendement en premier lieu. Si vous le modifiez selon ce sous-amendement, oubliez-le. Je suis venu un peu en retard et je

[*Text*]

I came in a bit late, I do not know whether the witnesses have already given the information, but when the Committee meeting adjourned a couple of days ago I was under the impression that they were going to come back with figures on how much less it would cost to locate in Ottawa compared to the Northwest Territories or the Yukon. I think what we were really trying to arrive at was that if it was going to cost that much less, how much less would it be? I want some figures.

The Chairman: Your question is not directed toward whether it is in order but is a straight question to the witnesses.

Mr. Yewchuk: No, this is as to whether or not the matter is in order.

The Chairman: I have ruled that the matter is in order.

Mr. Yewchuk: Well then I would like that information to help me decide how to vote.

Mr. MacDonald: The rough calculations we have been able to make seem to indicate that based upon services provided in Ottawa there would be additional costs to the bill of about $15,000-odd dollars in Ottawa but if we had to recruit staff specially and locate them in the Territories the salaries and other costs would amount to about $126,000.

Mr. Yewchuk: I was wondering whether it was necessary to hire people. The way I see it, the only difference would be the travelling bill for the same staff that you have here and it would not be necessary to hire new people there on a full-time basis to begin with.

Mr. MacDonald: Well, our staff will be travelling but I think the amendment is that it must be located in the Territories.

Mr. Yewchuk: Does the $126,000 represent erecting new buildings and that sort of thing, or is that just for staff?

Mr. MacDonald: Twelve months employment and office facilities in the amount of $7,200.

Mr. Yewchuk: These are figures per 12 month period, is that right?

Mr. MacDonald: Yes. Our understanding of the amendment is that the staff would have to be located in the Territories—would have to reside there, and that means a separate staff.

[*Interpretation*]

ne sais pas si les témoins ont déjà fourni ces renseignements. Lorsque le Comité a ajourné il y a quelques jours, j'avais l'impression que nous devrions revenir avec des chiffres pour savoir combien il coûterait moins de l'établir à Ottawa plutôt que dans les Territoires du Nord-Ouest ou au Yukon. Ce que nous avons vraiment essayé de savoir c'est s'il coûterait beaucoup moins. Et combien? Je voudrais voir des chiffres.

Le président: Vous ne voulez pas en appeler au règlement mais vous voulez poser votre question directement aux témoins.

M. Yewchuk: Monsieur le président, je ne sais pas si c'est en ordre ou non.

Le président: J'ai dit que c'est en ordre.

M. Yewchuk: J'aimerais avoir ces renseignements afin de pouvoir prendre ma décision.

M. MacDonald: Les calculs estimatifs que nous avons pu faire montrent que basés sur les services fournis à Ottawa, il y aurait des coûts supplémentaires d'environ $15,000 mais si nous devions recruter du personnel particulièrement pour les placer dans les Territoires du Nord-Ouest, les traitements et d'autres frais seraient d'environ $126,000.

M. Yewchuk: Je me demande s'il serait nécessaire d'embaucher ces gens. La seule différence serait les frais de transport pour le même personnel que vous avez ici. Il ne serait pas nécessaire d'embaucher de nouveaux employés à plein temps.

M. MacDonald: Notre personnel voyagerait mais je pense que l'amendement prévoit que le personnel soit placé dans les Territoires.

M. Yewchuk: Les $126,000 est-ce que celà comprend la construction de nouveaux édifices, ou seulement les traitements.

M. MacDonald: Cela comprend l'emploi pendant 12 mois et les bureaux de $7,200.

M. Yewchuk: Ce sont des chiffres qui couvrent une période de 12 mois.

M. MacDonald: Oui. Nous avons compris d'après l'amendement que le personnel devrait être installé dans les Territoires du Nord-Ouest. Celà demande donc un personnel distinct.

[*Texte*]

• 1725

Mr. Duquet: Mr. MacDonald, did I understand that if the staff were permanent and residing there, there would be some periods when they would have almost nothing to do?

Mr. MacDonald: In the initial period that would certainly be the case.

Mr. Simpson: Can we take it then, Mr. MacDonald, that if this bill passes the expenditure of the first 12 months of operation will be roughly $15,000?

Mr. MacDonald: Additional expenditure.

Mr. Simpson: I understood you to say the expenditure of the location in Ottawa would be around $15,000.

Mr. MacDonald: Yes, and I can tell you how it is calculated. Legal Counsel, $1,500; Secretary, $1,500; Land Title Clerk (6), $1,000; Reservoir Geologist (6), $1,000; Production Engineer (6), $1,000; Pipeline Engineer (6), $1,000; Resource Economist (6), $1,000; Typists, clerks and other, $1,500.

Then we have travel and personal expenses to Committee hearings $4,500—this is just a guestimate; office facilities $375 because we already have existing office facilities; materials, supplies and advertisements, $1,000. Now these are the apportionments of staff that we could calculate for the kind of business we anticipate in the earlier periods in any one given year. But if we had to reproduce these people on full-time elsewhere, which is what the significance of the amendment would be, then the salaries bill jumps to $114,000; travel and personal expenses, $4,500, no change; office facilities, $7,200, an increase; and material and supplies, $1,000, the same in either place.

Mr. Yewchuk: Mr. Chairman, are you going to pay this $15,000 over present expenditures as overtime to employees already on salary or how are you going to make this expenditure?

Mr. MacDonald: No, this is not overtime. This is an allocation of costs of existing staff.

Mr. Yewchuk: I do not understand how you are going to make this expenditure really. That is what I am trying to get at.

Mr. MacDonald: We have made the point that in initial years we can support this Committee with existing staff.

[*Interprétation*]

M. Duquet: M. MacDonald, est-ce que celà veut dire que si le personnel permanent habitait là, il y aurait des périodes où il n'y aurait pratiquement rien à faire.

M. MacDonald: Au début cela serait certainement le cas.

M. Simpson: Si je comprends bien, M. MacDonald, si ce bill est adopté les frais d'administration pendant les premiers 12 mois seraient d'à peu près $15,000?

M. MacDonald: Les frais additionnels.

M. Simpson: J'avais cru comprendre que le loyer à Ottawa se monterait à environ $15,000.

M. MacDonald: Voici comment on les a calculés: $1,500 pour le conseiller juridique, $1,500 pour le secrétaire; $1,000 pour un commis aux titres sur les terres (6), $1,000 pour un géologue des réservoirs (6), $1,000 pour un ingénieur à la production (6), $1,000 pour un ingénieur de pipe-lines (6), $1,000 pour un économiste en ressources (6), $1,500 pour les dactylographes, commis et autres.

Ensuite, nous avons des frais de déplacement et les dépenses personnelles des personnes qui devront se rendre aux audiences du comité—$4,500 environ; Bureau—$375 parce que nous avons déjà des bureaux; Matériel, fournitures, annonces, etc.—$1,000. Il y a des affectations du personnel qu'on pourrait calculer selon le genre de bureau que nous aurons au début pour une année quelconque. Mais si nous devions engager ces gens à plein temps ailleurs, ce qui serait le but de l'amendement, les traitements s'élèveraient à $114,000; les frais de déplacement et les dépenses personnelles $4,500, sans changement; les bureaux $7,200, une augmentation, et le matériel, fournitures, annonces—$1,000, sans changement.

M. Yewchuk: M. le président, est-ce que vous allez payer $15,000 plus de dépenses pour les heures supplémentaires aux employés qui reçoivent déjà un traitement. Comment allez-vous tenir compte de ces dépenses?

M. MacDonald: Ce ne sont pas des heures supplémentaires, il y a une allocation des coûts au personnel existant.

M. Yewchuk: Comment allez-vous faire ces dépenses? C'est ce que j'aimerais savoir.

M. MacDonald: Nous avons déjà mentionné qu'au cours des premières années nous pouvons fournir au comité le personnel existant.

[*Text*]

Mr. Yewchuk: The point is this, if you have existing staff that you are using where are you going to spend the $15,000?

Mr. MacDonald: This is an allocation of costs. Theoretically, we could say there would be no initial cost at all, but that is not quite true. We have made an attempt to allocate costs. We have $1,500 for legal counsel but obviously that is not the cost of a legal counsel—that is only a part of his cost. The rest of his time would be available in the Legal Branch for other matters. We are just making an allocation of costs.

The Chairman: Mr. Yewchuk, I should point out that because it was possible to argue two sides of the question whether there was an increase in costs, I gave the benefit of the doubt to Mr. Orange and ruled his amendment in order. This was partly to save this sort of argument.

Mr. Yewchuk: I want this information just to aid me in knowing how to vote.

Mr. Simpson: Mr. MacDonald, I understand this is $15,000 over and above the present salaries and so on.

Mr. MacDonald: I am sorry, I stand corrected. It is additional only in the sense that it is an allocation of our present costs. I wanted merely to show that there was a cost for doing it, it was not a nil factor. But it is not additional.

Mr. Simpson: I realize that. So I can accept then the fact that the whole operation of this for the first 12 months should be approximately $15,000.

Mr. MacDonald: Yes. There would be the additional travel.

The Chairman: Mr. St. Pierre has indicated that he has a question.

Mr. St. Pierre: Mr. Chairman, I am grateful that Mr. Yewchuk asked the question he did because it has been of considerable help to me. On a rough calculation, our moving immediately into the Northwest Territories is going to be $111,000 extra per year. I think this is a considerable factor. Speaking to Mr. Cullen's suggested sub-amendment or alteration of the amendment I, personally, cannot see the advantage of this. We say that it should move to the Northwest Territories at the Minister's discretion. This is pretty well a statement of the situation as it exists once the bill has passed with no reference to the North in it. It can move to Calgary at the Minister's discretion, or to Yellowknife. I do not really

[*Interpretation*]

M. Yewchuk: Si vous avez déjà le personnel, comment allez-vous dépenser les $15,000?

M. MacDonald: C'est simplement une attribution de crédits. Théoriquement, nous pourrions dire qu'il n'y aura pas de coûts supplémentaires du tout mais ce ne serait pas vrai. Nous avons essayé de répartir ces frais, par exemple du conseiller juridique, $1,500, ce n'est pas suffisamment pour engager un nouveau conseiller juridique, ce n'est qu'une partie. Le temps qui reste serait disponible dans le contentieux. On répartit juste des frais.

Le président: Je dois souligner que—parce qu'il était possible de voir les deux côtés de la médaille pour savoir s'il y a eu une augmentation des coûts ou non, j'ai donné le bénéfice du doute à M. Orange. J'ai décidé que son amendement était acceptable, parce que je voulais éviter de tels arguments.

M. Yewchuk: Ces renseignements, j'en aurai besoin pour prendre une décision au moment du vote.

M. Simpson: Il s'agit de $15.000 en plus des traitements actuels.

M. MacDonald: C'est une somme supplémentaire seulement en tant que c'est une allocation à nos coûts actuels. Je voulais simplement montrer qu'il y aurait des coûts impliqués, mais ce n'est pas réellement supplémentaire.

M. Simpson: Je comprends. Les coûts pour les 12 premiers mois de fonctionement s'élèveraient à environ $15,000.

M. MacDonald: Il y a encore la question des voyages supplémentaires.

Le président: M. St-Pierre voudrait poser une question.

M. St-Pierre: Monsieur le président, je suis heureux que M. Yewchuk ait posé la question parce que cela m'a beaucoup aidé. D'après mes calculs, si nous avions des gens dans les territoires du Nord-Ouest ça nous coûterait $111,000 de plus par année. C'est un facteur dont nous devons tenir compte.

En ce qui concerne le sous-amendement ou la modification à l'amendement, je ne vois pas quel en serait l'avantage. Nous devrions nous installer dans les Territoires du Nord-Ouest à la discrétion du ministre. Cela explique la situation, telle qu'elle existe une fois le projet de loi accepté sans aucune mention du Nord. Je pourrais m'installer à Calgary à la discrétion du ministre ou à Yellowknife. Je

[*Texte*]

see that Mr. Cullen's alteration of Mr. Orange's motion would have any real mean-

• 1730

ing and I, personally, am opposed to Mr. Orange's amendment at this time—although I am not opposed to the spirit of moving staff into the North as soon as it is practical.

The Chairman: Thank you.

Mr. Borrie: Mr. Chairman, as there has been a suggestion made that Mr. Cullen and Mr. Orange get together to reword the amendment I would like to move that the amendment be tabled until the next committee meeting, to be dealt with as the first order of business.

The Chairman: Thank you, Mr. Borrie. We have a motion to stand Clause 4 until the next meeting of the Committee.

May I point out to you, Mr. Borrie, that it was the hope of the Chairman that we could get through this bill today. We have passed all the clauses of Bill S-29 with the exception of Clauses 6 and 13. Mr. Southam has an amendment to Clause 6 on which I do not think there will be too much discussion. Everyone has indicated agreement on it. Mr. St. Pierre has an amendment to Clause 13 which I do not think will be too controversial either. Therefore I would suggest that this particular Clause is the only controversial one left. We scheduled this special meeting today, hopefully, to finish up Bill No. S-29. I am in the hands of the Committee, but I would hope that we could complete this Bill today.

I would direct a question to Mr. Cullen and Mr. Orange. In the light of statements made as to the expense involved, in the light of comments that have come from various members, do either of you feel like withdrawing either your subamendment or your amendment? If you do not, then I would suggest that we proceed to vote on the subamendment.

Mr. Orange: Mr. Chairman, on a point of order. With all due respect, this Bill was five years in preparation. Mr. Cullen has suggested a subamendment which may or may not be legal in its terminology, it may not meet the exact conditions expressed by himself, or it may nullify the effect of the amendment. I think that we might have at least a few hours to take a look at what might be presented to the Committee rather than having to do this in a moment's notice.

The Chairman: I would remind hon. members that we have had since last Tuesday to consider this. There were a number of objec-

[*Interprétation*]

ne vois pas le but de la modification proposée par M. Cullen à la motion de M. Orange. Moi, personnellement, je m'oppose à l'amendement de M. Orange bien que je ne sois pas opposé à l'idée d'envoyer du personnel dans le Nord dès que ce sera possible.

Le président: Merci.

M. Borrie: Monsieur le président, comme on a proposé que M. Cullen et M. Orange se réunissent afin de rédiger à nouveau l'amendement, j'aimerais proposer que l'amendement soit déposé à la prochaine réunion du comité et qu'il soit placé au début de l'ordre du jour.

Le président: Merci, monsieur Borrie. Nous avons maintenant une motion tendant à réserver l'article 4 jusqu'à la prochaine réunion. J'aimerais simplement signaler à M. Borrie que la présidence espérait que nous terminions le bill aujourd'hui. Nous avons étudié chacun des articles du bill S-29 à l'exception des articles 6 et 13. M. Southam a un amendement au sujet de l'article 6 mais je ne crois pas qu'il soit nécessaire d'en parler longtemps, tout le monde semble en convenir. M. St-Pierre doit proposer un amendement à l'article 13 qui n'est pas trop controversé non plus je pense. Aussi je pense qu'il s'agit du seul article controversé. Nous avions envisagé une réunion aujourd'hui dans l'espoir d'en finir avec le Bill S-29. Je suis à la disposition du Comité, mais j'espère que nous pourrons terminer l'étude de ce bill aujourd'hui.

J'aimerais poser une question à M. Cullen et à M. Orange. A la lumière des déclarations qui ont été faites au sujet des dépenses en cause, et à la suite des observations faites par certains députés, envisagez-vous, l'un ou l'autre d'entre vous, de retirer votre sous-amendement ou votre amendement? Si ce n'est pas le cas, je propose que nous mettions au voix le sous-amendement.

M. Orange: J'en appelle au Règlement, monsieur le président. Il a fallu cinq ans pour rédiger le présent bill. M. Cullen a proposé un sous-amendement qui n'est peut-être pas selon la terminologie juridique, et ne remplit peut-être pas les conditions qu'il a soulignées et qui pourrait altérer l'esprit de l'amendement. De toute façon, il nous faudrait certainement quelques heures pour envisager ce que nous pourrions proposer au comité plutôt que de le faire au pied-élevé.

Le président: Je dois rappeler aux membres que nous avions depuis mardi dernier pour envisager cela. On a soulevé un certain

[*Text*]

tions raised to the amendment last Tuesday and you have had since then to consider this.

Mr. Borrie: Mr. Chairman, on a point of order, as I did make a resolution that this be tabled I understood it was to be put without debate.

Mr. Yewchuk: Would it not be possible for you to reverse your ruling now that you realize what the great cost would be as to whether this should be allowed in the first place?

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I was going to raise this same point of order but Dr. Yewchuk did. It seems to me that when you were getting advice from Dr. Ollivier that one of the considerations was that it would not be admissible if it meant that there would be extra money to be spent. Now in light of the extra money, as has just been pointed out, that would be spent on this Bill do you not think that perhaps it is inadmissible because of the advice given to you before?

The Chairman: Mr. Marchand, on the question of the point of order, the Chairman ruled at the beginning of the meeting in favour of

• 1735

Mr. Orange's amendment being in order. I have made my ruling and I will stick by that ruling.

Mr. Cullen: Mr. Chairman, in the interest, hopefully, of crystallizing this thing, I think this Committee has made its point and I have tried to make mine. I was concerned that this amendment might be carried and it would tie up the hands of the Department. My concern was that we know the direction that we want the Department to go. So I am going to withdraw my subamendment.

Mr. Borrie: Mr. Chairman, I would think that it is not necessary then to have a motion to table the amendment, just in case you were attempting to rule on that portion.

The Chairman: Thank you, Mr. Borrie. Shall we have the question on the amendment?

Mr. Orange: Mr. Chairman, one other point first: is it the intention of the Department to table those cost estimates?

The Chairman: Could we have the agreement of the committee to have these figures supplied to us today by Mr. MacDonald attached as an appendix to the minutes?

[*Interpretation*]

nombre d'objections mardi dernier, et vous avez eu tout le temps, depuis lors, pour étudier la question.

M. Borrie: En rappel au Règlement, monsieur le président. Comme j'ai en effet proposé que cela soit déposé, j'ai compris que ce serait fait sans la mettre aux voix.

M. Yewchuk: Est-ce que vous ne pourriez pas revenir sur votre décision maintenant que vous réalisez ce qu'il en coûtera, à savoir tout d'abord si l'on devrait le permettre?

M. Marchand (Kamloops-Cariboo): Monsieur le président, j'allais aussi invoquer le Règlement, mais M. Yewchuk l'a fait. Il me semble que lorsque vous deviez demander l'avis de M. Ollivier, une des conditions était que l'amendement serait jugé irrecevable s'il serait question de dépenses supplémentaires. A présent, vu qu'il est effectivement question de dépenses supplémentaires pour ce bill, ne croyez-vous pas que l'amendement est irrecevable à cause de l'avis que vous avez obtenu auparavant?

Le président: Monsieur Marchand, au sujet de ce rappel au règlement, la présidence a stipulé que l'amendement de M. Orange était recevable. J'ai pris ma décision et j'y tiens.

M. Cullen: Monsieur le président, dans l'intérêt de voir la question se cristalliser, je crois que le comité a exposé son point de vue et j'ai essayé d'exposer le mien. Je craignais que cet amendement serait adopté et lierait le Ministère. Je voulais faire en sorte que nous sachions dans quel sens le Ministère devrait se diriger. Par conséquent, je retire mon sous-amendement.

M. Borrie: Monsieur le président, je ne crois pas qu'il soit nécessaire d'avoir une motion pour déposer un amendement, au cas où vous essayiez de statuer sur cette partie.

Le président: Merci monsieur Borrie. Est-ce que nous allons mettre l'amendement aux voix?

M. Orange: Monsieur le président, j'ai un autre point à soulever .Le Ministère a-t-il l'intention de déposer les prévisions de ces coûts?

Le président: Le comité est-il d'accord de demander que ces chiffres nous soient fournis aujourd'hui par M. MacDonald, sous forme d'appendice annexé au compte rendu?

[*Texte*]

Some hon Members: Agreed.

The Chairman: Shall the amendment proposed by Mr. Orange carry?

An hon. Member: Let us hear the amendment again.

The Chairman: It has been moved by Mr. Orange that:

> A new subclause (4) be inserted in Clause 5 and that subclauses (4) and (5) be renumbered (5) and (6) and that the following be inserted: the headquarters of the Committee, together with the staff of the Committee as described in subclause (3) shall be located either in the Yukon Territory or in the Northwest Territories.

Motion negatived on division.

Clauses 5(4), 5(5) and 5 as amended agreed

On Clause 6—*Interest in oil and gas properties.*

Mr. Southam: Mr. Chairman and hon. members, a week ago Tuesday we had considerable discussion on Clause 6 of Bill No. S-29. I would like to read it again just for the record:

> No member of the Committee shall have a pecuniary interest of any description, directly or indirectly, in any property in oil or gas to which this Act applies or own shares in any company engaged in any phase of the oil or gas industry in Canada in an amount in excess of five per cent of the issued shares thereof.

"Pecuniary interest", as mentioned in this particular clause, came up for considerable discussion and I think I was instrumental, Mr. Chairman, in initiating the discussion. It was interesting, as the discussion went on, to note that Mr. O'Connell, Mr. Cullen and, I believe, our Chairman, Mr. Watson, expressed similar doubts to mine on this particular section of the Bill. It was also interesting to note too, Mr. Chairman, that Dr. Lewis, our expert witness before the Committee, indicated himself, in advising on the drafting of the legislation, that this particular clause came under some doubt. As a result of that we decided to stand the clause. Following that our Chairman—and I appreciate the interest he took in this matter—consulted with law officers of the Crown and Dr. Ollivier suggested that possibly we could delete Clause 6 and adopt another clause based on legislation now in effect in the Province of

[*Interprétation*]

Des voix: D'accord.

Le président: Êtes-vous d'accord pour l'amendement proposé par M. Orange?

Une voix: Pourriez-vous relire le texte de l'amendement?

Le président: M. Orange propose:

> Qu'un nouveau paragraphe (4) soit inséré à l'article 5, que les paragraphes (4) et (5) soient renumérotés (5) et (6) et que l'on insère le texte suivant: «Le bureau central du Comité, ainsi que le personnel du Comité tel que décrit au paragraphe (3) doivent se trouver soit dans le territoire du Yukon, soit dans les Territoires du Nord-Ouest.»

L'amendement est rejeté à la majorité des voix.

Les articles 5(4), 5(5) et 5 modifiés sont approuvés.

Article 6—*Intérêts dans des propriétés pétrolières et gazières.*

M. Southam: Il y a une semaine, nous avons beaucoup discuté de l'article 6 du Bill S-29. J'aimerais le lire encore une fois pour qu'il soit consigné au compte rendu:

> Aucun membre du Comité ne doit avoir, directement ou indirectement, d'intérêt pécuniaire quelconque dans une propriété pétrolière ou gazière quelconque à laquelle cette loi s'applique, ni détenir des actions dans une compagnie qui participe à un stade quelconque de l'industrie pétrolière ou gazière au Canada, pour un montant excédant 5 p. 100 des actions émises.

L'expression «intérêts pécuniaires» mentionnée dans cet article a suscité beaucoup de discussions et je crois que c'est moi-même qui a entamé la discussion. Il est intéressant de noter qu'au cours de la discussion, M. O'Connell, M. Cullen et je crois, notre président, M. Watson ont exprimé des doutes identiques aux miens en ce qui concerne cet article du Bill. Tout aussi intéressant était le fait que M. Lewis, notre expert témoin, a dit lors de la rédaction du présent Bill que cet article pouvait susciter des doutes. Et c'est ce qui nous a décidés de réserver l'article. Ensuite, notre président (auquel j'aimerais exprimer mon appréciation pour l'intérêt qu'il a manifesté dans cette question), a consulté les avocats de la Couronne et M. Ollivier a dit que nous devrions peut-être biffer l'article 6 et adopter un autre article fondé sur la législation qui est présentement en vigueur en Saskatchewan. Mais, comme le président l'a sugggéré

[*Text*]

• 1740

Saskatchewan. But, as our Chairman intimated earlier in our proceedings today, I had informal discussion with my colleagues in the Committee before this meeting got formally under way and we thought rather than delete Clause 6 that we could amend it.

I therefore propose, Mr. Chairman, that we amend Clause 6 by adding the following—and I so move:

> That Clause 6 of Bill S-29 on page 4 of the Act be amended by inserting the following wording after line 42 on page 4 of the Act as follows:
>
> That provided a member of the Committee who has a monetary interest of any description, directly or indirectly, in any property or in any business or undertaking to which this Act applies and carried on for the purpose of searching for, winning or getting, or for the purpose of gathering, collecting, processing, handling or distributing, any oil or gas, shall not act or vote as a member of the Committee when a question affecting that interest or in which he is interested by reason of that interest is before the Committee.

The Chairman: Shall I dispense with rereading this amendment? Mr. O'Connell, you have indicated that you have a comment.

Mr. O'Connell: I am sure Mr. Southam, with whom I have had several discussions as we have struggled to deal with what many of us initially thought were defects in Clause 6 as it presently stands, will wonder how often I change my position. I hope he does not feel that that is now the case.

I have studied this new draft addition to see whether it can properly be inserted into Clause 6, and I want to question whether it is not rather in conflict with it. I am really trying to be helpful in this, Mr. Simpson and Mr. Chairman.

Let us read the first four lines or so of Clause 6 as it now stands, taking it that there is a period after the work "applies". I will shorten it:

> No member of the Committee shall have a pecuniary interest...in any property... to which this Act applies...

The proposed addition starts with the words:

> ...a member of the Committee who has a monetary interest..in any property...

[*Interpretation*]

plus tôt aujourd'hui, j'en ai discuté officieusement avec mes collègues du Comité, avant la réunion, et nous avons préféré amender l'article 6 au lieu de le biffer.

C'est pourquoi, monsieur le président, je propose l'amendement de l'article 6 en ajoutant ce qui suit:

> que l'article 6 du Bill S-29 à la page 4 du bill soit modifié par l'insertion à la ligne 49 de la page 4 du Bill, de ce qui suit:
>
> A moins que le membre du Comité qui a, directement ou indirectement, un intérêt pécuniaire quel qu'il soit afférent à une propriété ou à toute entreprise qui tombe sous le coup de la présente loi et dont l'exploitation consiste à chercher, ou à s'approprier, à collecter, accumuler, transformer, manutentionner, ou distribuer du pétrole ou du gaz, n'agisse ou ne vote pas en sa qualité de membre du Comité lorsque le Comité est saisi d'une question qui touche cet intérêt ou à laquelle le membre s'intéresse en raison de cet intérêt.

Le président: Puis-je me dispenser de la lecture de l'amendement. Monsieur O'Connell, vous avez dit que vous aviez un commentaire à faire.

M. O'Connell: Je suis sûr que M. Southam, avec qui j'ai déjà discuté à maintes reprises comme nous nous efforcions de nous occuper de ce que nous croyons être des lacunes dans l'article 6, dans sa forme actuelle, se demandera pourquoi je change d'opinion si fréquemment. J'espère qu'il ne croira pas que c'est le cas en ce moment.

J'ai étudié cette nouvelle rédaction pour voir si l'on peut l'insérer à l'article 6, et je me demande si elle ne le contredit pas. Croyez-moi, j'essaye d'être utile, monsieur Simpson et monsieur le président. Lisons les quelques quatre premières lignes de l'article 6 dans sa forme actuelle, et supposons qu'il y ait un point après le mot «s'applique». Je vais raccourcir la phrase.

> Aucun membre du Comité ne doit détenir un intérêt pécuniaire .dans une propriété quelconque...à laquelle la présente loi s'applique..

Le texte que nous nous proposons d'ajouter commence par ces mots:

> ...un membre du Comité qui a un intérêt monétaire...dans une propriété quel-

[*Texte*]

to which this Act applies...

We have already excluded that sort of person from being on this Committee, and now we are adding something to the effect that, notwithstanding that, something else may take place. It seems to me, therefore, that we have come into conflict with the first part of Clause 6.

Mr. Southam: Mr. Chairman, I think you have to read the whole clause:

> No member...have a pecuniary interest ...in an amount in excess of five per cent of the issued shares thereof.

The debate then arises about just how big that pecuniary interest might be.

Mr. O'Connell: Yes. I was in sympathy with trying to alter that, yet the way we are attempting to do it appears to me to be self-contradictory. The first part of Clause 6 as it now stands, as I understand it, excludes from the Committee anyone who has a pecuniary interest in oil and gas in the Northwest Territories and the Yukon. As this proposed act applies to the Northwest and the Yukon nobody with apecuniary interest in that area can even sit on the committee, but the effect of...

An hon. Member: No; he cannot vote.

Mr. O'Connell: No; he cannot sit on it; he cannot even be a member of it.

Mr. Southam: By Clause 6, you mean?

Mr. O'Connell: Yes; I am subject to correction.

Mr. Southam: No; I think it just leaves the inference that he would have one. We assume that on this committee we need people who...

Mr. O'Connell: With all respect, I think we should have an interpretation of it, because as I understand the plain words of that it excludes that type of person right from the start.

Mr. St. Pierre: It seems to me you are correct, Mr. O'Connolle. I cannot read it any other way.

Mr. O'Connell: There are two parts to Clause 6 as it now stands. I think that is the point.

There would be a way around it if, in the second line, instead of it reading "... in any property or any business where the conflict arises..." it read, "in any phase of the oil and gas industry in Canada". That would take you

[*Interprétation*]

conque...à laquelle cette loi s'applique..

Nous avons déjà exclu ce genre de personne d'être membre du Comité, et à présent nous ajoutons quelque chose qui, malgré l'amendement, présente un autre situation. Il me semble donc que nous sommes en contradiction avec la première partie de l'article 6.

M. Southam: Je crois qu'il faut lire tout l'article.

> Aucun membre ..ne doit détenir plus de 5 p. 100 des actions émises.

Il s'agit donc de savoir quelle importance pourrait prendre son intérêt pécuniaire.

M. O'Connell: Oui. J'ai bien réalisé qu'il fallait modifier cela, cependant la façon dont nous essayons de le faire me semble être contradictoire. La première partie de l'article 6 dans sa forme actuelle exclut du Comité quiconque détient un intérêt pécuniaire dans des propriétés pétrolières et gazières dans les Territoires du Nord-Ouest et dans le Yukon. Comme ce projet de loi s'applique au Yukon et aux Territoires du Nord-Ouest, aucune personne ayant un intérêt pécuniaire dans ce secteur ne pourra siéger à ce Comité, mais...

Une voix: Non; il ne peut pas voter.

M. O'Connell: Non, il ne peut pas siéger et ne peut même pas être membre du Comité.

M. Southam: Vous voulez dire selon l'article 6?

M. O'Connell: Bien sûr, corrige-moi si je fais erreur.

M. Southam: Non; à mon avis, on peut simplement conclure qu'il en aurait un. Nous croyons que pour ce Comité nous avons besoin de gens qui...

M. O'Connell: Sauf votre respect, je crois que nous devrions en avoir une interprétation, car selon la définition même des mots, cette loi exclut ce genre de personne dès le départ.

M. St. Pierre: J'estime que vous avez raison, monsieur O'Connell. Je ne le conçois pas autrement.

M. O'Connell: L'article 6 dans sa forme actuelle est composé de deux parties. Il y aurait moyen de contourner la difficulté en modifiant la deuxième ligne pour qu'elle soit rédigée ainsi:

> «dans une phase quelconque de l'industrie pétrolière et gazière du Canada.»

[*Text*]

• 1745

back into the second part of the present Clause 6. And if you did that when it would be far too restrictive. We might not be able to have on this Committee from the private sector anyone who knew anything about oil and gas. Therefore, existing clause, difficult as it is, is, I think, superior to the combination of these two suggestions.

I might add a third concern. You will notice in Clause 7 that a quorum requires at least one person from outside the public service. If that person outside the public service fell within one of these descriptions, directly or indirectly—and he well might, as we are proposing to set it up—you would not have a quorum, because he could not act or vote as a member. He would have to step aside. I think we have made it too restrictive.

The Chairman: Mr. O'Connell, I have been consulting with Mr. MacDonald and the suggestion has been made that we simply eliminate two and a half lines of Mr. Southam's added clause, namely,

> ...has a monetary interest of any description, directly or indirectly, in any property or in any business or undertaking...

and substitute the words "...who owns any shares of any company". That would then refer back to the last four lines of Clause 6 as it now stands. By doing that, I suggest, we would have combined what you want with what Mr. Southam is seeking.

Mr. O'Connell: You would have removed the contradictory aspects, but you would have stiffened it up from 5 per cent to any shares, and 0.1 per cent would be the requirement, would it not?

On this committee we want people who know something about the oil and industry. In my opinion ownership of some shares should not really exclude them. In the normal course of events they would step aside if they saw a conflict of interest. The present clause excludes them if they have more than 5 per cent. "Any shares" would perhaps be too strict a prohibition.

[*Interpretation*]

Ce qui nous ramène à la deuxième partie de l'article 6 dans sa forme actuelle. Et dans ce cas, la loi serait trop restrictive. Nous trouverions peut-être personne du secteur privé à siéger à ce Comité ayant une compétence quelconque dans le domaine des pétroles et du gaz. Par conséquent, cet article dans sa forme actuelle, aussi difficile soit-il, est à mon avis mieux rédigé que ces deux suggestions mises ensemble.

Il y a un troisième point à considérer. Vous remarquerez dans l'article 7, que pour avoir le quorum il faut qu'au moins un membre ne soit pas employé de la fonction publique. Si la personne qui n'est pas employée de la fonction publique tombe dans cette catégorie, directement ou indirectement (ce qui serait très probablement le cas, étant donné que c'est nous qui proposons de l'établir), vous n'auriez pas de quorum car cette personne ne pourrait agir ou voter en tant que membre. Il serait obligé de se retirer. Je crois que le texte est trop restrictif.

Le président: Monsieur O'Connell, j'ai consulté M. MacDonald, et l'on propose que l'on élimine tout simplement deux lignes et demie de l'amendement proposé par M. Southam, soit:

> ...ou, directement ou indirectement, un intérêt monétaire quelconque afférent à une propriété ou à toute entreprise...

que l'on substitue par:

> ...qui détient des actions de quelque nature qu'elles soient dans toute compagnie.

Alors, nous en reviendrions aux quatre dernières lignes dans leur forme actuelle. Ainsi nous aurons combiné ce que vous proposez avec ce que M. Southam cherche.

M. O'Connell: Vous auriez éliminé l'aspect contradictoire de l'article, mais vous le rendriez plus restrictif, c'est-à-dire de 5 p. 100 à une quantité quelconque d'actions, et la proportion de 0.1 p. 100 serait tout ce que l'on demande, n'est-ce pas?

Je crois que nous voulons avoir des gens qui connaissent la question du pétrole et du gaz. A mon avis, le fait de détenir quelques actions ne les exclurait pas réellement. Normalement, s'il y a un conflit d'intérêts, ils se retireraient. Le texte actuel les exclue s'ils en possèdent plus de 5 p. 100. La formule «une quantité quelconque d'actions» serait une interdiction trop restrictive.

[*Texte*]

The Chairman: Mr. MacDonald has a suggestion.

Mr. MacDonald: May I offer a suggestion to try to meet what I think it in the minds of Mr. Southam and other members of the Committee?

Mr. O'Connell has properly pointed out the contradiction between the proposed amendment and Clause 6 as now drafted. What I have to suggest would qualify only the latter part of Clause 6. The first part of Clause 6 rules out anyone with any interest even acting or sitting on the Committee.

Mr. O'Connell: Yes, that is right.

Mr. MacDonald: But the latter part permits anyone with shareholdings in companies no greater than 5 per cent to act. Perhaps one should merely go further and say: "Provided, further, that no person who own any shares in any phase of the oil or gas industry shall vote when a question affecting any company the shares of which are so owned is before the committee". That would rule him out.

Mr. O'Connell: I think that is what we are trying to get at.

Mr. Southam: I agree with Mr. O'Connell that we have to have people on that committee with experience, and I think this was probably understood and appreciated in our deliberations a week ago Tuesday. It was because of this objection about not knowing how to arrive at what this pecuniary interest in the amount of 5 per cent would be that we had the law officers examine it, and I was quite influenced by the testimony of Mr. Lewis, who was an expert witness. He admitted that this was a very disagreeable feature

• 1750

about that particular clause. I think perhaps the Deputy Minister may have the compromise.

Mr. O'Connell: Yes, I think I would be satisfied with that. One would like to take a little more time on it, but it seems to meet the original objections.

Mr. Simpson: Mr. Chairman, is it still your intention to try to pass this Bill this evening?

The Chairman: Yes; because this is the last clause.

[*Interprétation*]

Le président: M. MacDonald a une suggestion a faire.

M. MacDonald: Puis-je faire une proposition qui puisse rapprocher ce que vous semblez avoir à l'esprit.

M. O'Connell a bien fait le point sur la contradiction qui existe entre l'amendement proposé et l'article 6 tel que rédigé en ce moment. Ce que je veux proposer ne porte des réserves qu'à la dernière partie de l'article 6. La première partie exclut toute personne ayant un intérêt quelconque même si elle agit ou vote en qualité de membre du Comité.

M. O'Connell: Oui, c'est juste.

M. MacDonald: Mais la deuxième partie permet aux gens qui possèdent moins de 5 p. 100 des actions d'agir en tant que membre. On devrait peut-être aller un peu plus loin et ajouter: «Pourvu aussi que toute personne qui détient des actions quelconque. Dans une phrase quelconque de l'industrie pétrolière ou gazière ne soit permise de voter s'il s'agit d'une affaire dont est saisi le Comité et qui concerne une compagnie quelconque dont les actions appartiennent à cette personne.» Cela l'excluerait.

M. O'Connell: C'est ce que nous voulons.

M. Southam: J'en conviens avec M. O'Connell à l'effet que ce Comité doit être composé de personnes compétentes ce dont il a été question dans nos délibérations de mardi passé. C'est à cause de cet aspect pécuniaire de 5 p. 100 que nous avons soumis l'article aux soins des avocats pour l'étudier, et le témoignage de M. Lewis qui fut un témoin expert m'a beaucoup influencé. Il a admis que cet article en particulier avait un aspect très contradictoire. J'espère que le sous-ministre aura peut-être une solution de compromis.

M. O'Connell: Oui, je crois que je serais d'accord là-dessus. Nous aimerions y consacrer un peu plus de temps mais je crois que cela répond aux premières objections.

M. Simpson: Avez-vous toujours l'intention d'adopter ce projet de loi ce soir?

Le président: Oui, car nous en sommes au dernier article. Peut-être pourriez-vous en-

[*Text*]

Perhaps you could bear with us for another two or three minutes. I think we have one more, but it may prove to be very brief.

Mr. Southam, perhaps it would satisfy you and certain other members of the Committee, if we were to insert at the end of the present subclause the words:

> Provided further that no member who owns any shares of any company engaged in any phase of the oil or gas industry in Canada shall vote when a question affecting such a company is before the Committee.

Mr. Yewchuk: I do not see how this really differs from Mr. Southam's suggested amendment.

Mr. Southam: Mr. Chairman, I feel that my amendment would I have had the same effect, but if this clarifies it I will so move, Mr. Chairman.

Mr. Deakon: May I comment on this? Actually, when you say "provided" you are contradicting the first clause. I see you put the "provided" clause after the original Clause 6. But does not Clause 6 initially forbid anyone with any interest in a company which has dealings with this Act becoming a member? Therefore, how can that person even vote?

It reads:

> No member of the Committee shall have a pecuniary interest of any description, directly or indirectly, in any property in oil or gas to which this Act applies...

The Chairman: Mr. Deakon, it is the understanding of the Chair that the first four lines do not refer to shares in a company. There is a distinct difference between that and a pecuniary interest of any description in any property in oil or gas to which this Act applies".

Mr. Deakon: Exactly but then the amendment refers to something coming before the Committee. In my submission, the first part then comes into force, and it states that no one who has any interest, directly or indirectly, in anything that comes before the Committee may be a member.

Mr. O'Connell: Mr. Chairman, perhaps this may clarify the situation, although I am not too sure. A distinction is beng drawn between persons who have interests in companies in the Northwest Territories and those who have interests in companies in Canada, which may

[*Interpretation*]

core rester avec nous pour quelques minutes. Je pense que nous avons encore un amendement, mais ce sera très vite fait.

Monsieur Southam, j'espère que vous et certains membres du comité seront satisfaits si nous insérons à la fin du présent paragraphe les mots suivants:

> «à moins que nul membre détenant des actions d'une compagnie quelconque engagée dans une phase quelle qu'elle soit de l'industrie du pétrole ou du gaz, ne soit à même de voter sur une question relative à la dite compagnie qui serait étudiée par le dit comtié.»

M. Yewchuk: Je ne vois pas en quoi ce texte a affaire avec la proposition d'amendement faite par monsieur Southam.

M. Southam: Dans mon amendement je voulais proposer la même chose mais je pense que cela pourrait clarifier l'idée. J'appuie donc votre amendement, monsieur le président.

M. Deakon: Puis-je faire un commentaire? En effet, ce que nous faisons c'est de contredire la première clause du paragraphe lorsque l'on dit: «à moins que...» parce qu'il s'agit d'ajouter une nouvelle disposition à l'article 6. Mais cet article n'empêche-t-il pas toute personne détenant des intérêts dans une société quelconque d'être membre du conseil? Alors comment peut-il voter?

> 6. Aucun membre du Comité ne doit avoir, directement ou indirectement, d'intérêt pécunaire quel qu'il soit afférent à la propriété de pétroles ou de gaz auxquels s'applique la présente loi,...

Le président: Monsieur Deakon la présidence croit comprendre que les quatre premières lignes ne se réfèrent pas à la possession d'actions dans une compagnie, il y a une différence bien claire entre la possession d'actions et un intérêt pécuniaire sur une quelconque propriété pétrolière ou de gaz naturel régie par cette loi.

M. Deakon: C'est exact. Mais l'amendement traite de toutes les questions arrivant devant le comité. Pour moi la première partie prévoit qu'aucun membre du comité ne doit avoir directement ou indirectement d'intérêt pécuniaire.

M. O'Connell: On pourrait tirer au claire cette situation mais je n'en suis pas sûr. On pourrait établir une distinction entre une personne qui détiendrait des intérêts dans des entreprises situées dans les Territoires du Nord-Ouest et une personne qui possèdent

[*Texte*]

not necessarily be operative in the NWT. The first part of Clause 6 excludes the person from sitting on the Committee. This proposed

• 1755

change assumes that some people who have interests in companies not in the NWT but elsewhere in Canada may sit on the Committee. But now we are saying they cannot vote. The distinctions are between sitting on it and voting and between the Northwest Territories and other parts of Canada. I think it is consistent as it stands.

The Chairman: Would members agree to our asking Mr. MacDonald or Mr. Hunt to explain whether, in the Department's opinion the first four lines apply not only to a direct interest in a property in the Northwest Territories but to the shares of a company with any interest in the Northwest Territories?

I understood, from earlier evidence before the Committee—I believe it was Mr. Hunt's that the first four lines did not apply to anyone owing shares of a company in the Northwest Territories or the Yukon, but applied only to those who had a direct interest in a property; and that a distinction was made between a person having this direct interest in a property and a person owning shares. I would like to be informed on that.

Mr. Hunt: Mr. Chairman, that was our view, and we discussed it with the representative of the Department of Justice who drafted this Bill.

Our understanding of the first four lines of the Clause is that it precludes from sitting on the Committee any person who has a pecuniary, interest—in other words, a money interest—in any property to which the Act applies. In other words, to put it very simply, in any property in the Yukon or Northwest Territories, although I suppose one should say in any oil or gas property in the Yukon or Northwest Territories. It does not refer to share interest.

The "indirectly" part refers to royalty interests, I believe, rather than what one calls a direct working interest. Therefore, the first four lines operate to exclude from sitting on the Committee anyone who has a working interest, or a royalty interest, in any oil and gas property in the two Territories; and then, as we understand it, the second part of Clause 6 goes on to say that anyone sitting on the Committee must also comply by owning not more than five per cent of the shares of any company engaged in any phase of the oil and gas industry anywhere in Canada. I

[*Interprétation*]

des intérêts dans des compagnies canadiennes ne faisant pas affaires dans les Territoires. La première partie de l'article 6 exclut une telle personne de siéger au comité. Le changement proposé prévoit que les personnes qui possèdent des intérêts dans les compagnies canadiennes ne faisant pas affaires dans les Territoires du Nord-Ouest, pourraient siéger au comité, mais maintenant on prévoit qu'ils n'auront pas le droit de vote. Il y a une distinction entre siéger et voter et entre les Territoires du Nord-Ouest et le reste du Canada. Alors c'est un amendement qui est assez cohérent tel qu'il est rédigé.

Le président: Les députés accepteraient-ils de demander à M. MacDonald ou à M. Hunt d'expliquer si, dans l'opinion du ministère, les quatre premières lignes s'appliquent non seulement à des intérêts directs dans les Territoires du Nord-Ouest mais aux actions d'une entreprise qui possède des intérêts dans les Territoires du Nord-Ouest?

Je crois comprendre à la lumière des témoignages antérieurs, et d'après le témoignage de monsieur Hunt, lui-même, que les quatre premières lignes ne s'appliquaient pas aux actions et aux détenteurs d'actions d'une compagnies des Territoires du Nord-Ouest. Elles s'appliquent seulement à des personnes qui ont des intérêts directs dans une propriété ou dans des actions de cette propriété. J'aimerais qu'on m'explique de quoi il retourne.

M. Hunt: Monsieur le président, telle était notre opinion et nous en avons discuté avec les délégués du ministère de la Justice qui ont rédigé ce projet de loi. Autant que nous pouvons l'affirmer les quatre premières lignes de cet article interdisent, au sein de ce comité, de siéger à toute personne qui possède des intérêts pécuniaires, en d'autres mots des intérêts financiers dans toute propriété régie par la présente Loi. Autrement dit, toute propriété dans le Yukon et les Territoires du Nord-Ouest. On pourrait dire aussi toute propriété pétrolière ou de gaz naturel dans le Yukon et les Territoires du Nord-Ouest. On ne parle pas d'actions.

La façon indirecte veut dire des intérêts dans des redevances pétrolières, alors que direct veut dire un intérêt en capital. Ainsi les quatre premières lignes font exclusion de toute personne qui possède des intérêts financiers ou des redevances provenant des entreprises établies dans ces territoires. Alors que la deuxième partie de l'article 6 prévoit que toute personne siégeant au comité ne doit pas détenir plus de 5 p. 100 des actions de toute entreprise qui se consacre à l'industrie du pétrole et du gaz dans une région quelconque du Canada. Il y a là une distinction très nette

[*Text*]

believe there is quite a distinction between the two.

In my understanding, the suggested amendment would require that anyone sitting on the Committee, who has, of course, five per cent or less of the shares of any oil and gas industry company, would have to excuse himself from voting on an issue in which that company was involved before the Committee.

The Chairman: Does that clarify it?

Mr. Deakon: No, it does not, Mr. Chairman. With corporate structures as they are today there are all kinds of holding companies that may be involved in all kinds of industries. You refer there strictly to the oil and gas industry in Canada. The holding company may well be a tobacco company that indirectly has interests in the oil and gas industry, and I may hold shares in that tobacco company.

The Chairman: We are getting into an argument, Mr. Deakon.

Mr. Deakon: Why not talk to the Justice Department and have it drafted properly before it comes before the committee?

Mr. Southam: Mr. Chairman, my original amendment had the blessing of Mr. Ollivier, who took it word for word from a similar act in Saskatchewan. But in view of the objection raised here this evening I am prepared to adopt the suggestion of the Deputy Minister that we add these words. I think they clarify it to a greater degree than does my original amendment.

• 1800

The Chairman: For the benefit of the members shall I re-read this amendment proposed by Mr. Southam? In the understanding of the Chair, this would require that any member of the committee who owned a five per cent or less share-interest in a company would not vote if that company were involved in a question before the committee. This is my understanding of Mr. Southam's amendment.

I will read the amendment: That Clause 6 of Bill S-29 be amended by adding thereto an additional paragraph reading as follows:

> Provided further that no member who owns any shares of any company engaged in any phase of the oil or gas industry in Canada shall vote when a question affecting such a company is before the committee.

[*Interpretation*]

entre les deux dispositions et, à mon sens, cet amendement exigerait que la personne siégeant au comité qui possède des intérêts de 5 p. 100 ou moins dans une entreprise de pétrole ou de gaz devrait s'abstenir de voter dans une question touchant cette société devant le comité.

Le président: Est-ce que c'est clair?

M. Deakon: Non, ça ne l'est pas, monsieur le président. Quand on sait ce que sont les structures des sociétés de nos jours, où nous avons toutes sortes de compagnies, de consortiums qui s'engagent dans diverses entreprises, dans ce cas-ci parlons uniquement du pétrole et du gaz, cette compagnie peut avoir des intérêts pétroliers et pourtant je suis propriétaire d'actions d'une compagnie de tabac.

Le président: Nous en arrivons à une dispute, monsieur Deakon.

M. Deakon: Pourquoi ne pas en référer au ministère de la Justice afin que cet amendement soit rédigé d'une façon claire avant de le soumettre au comité?

M. Southam: Monsieur le président, mon amendement du début avait la bénédiction de M. Ollivier, qui l'avait copié, mot à mot, dans une loi provinciale de la Saskatchewan. Mais en constatant les objections soulevées devant le comité ce soir, je suis prêt à adopter le point de vue du sous-ministre qui voudrait ajouter les mots mentionnés. Je pense que ceci clarifie d'une façon plus nette encore l'idée contenue dans mon premier amendement.

Le président: Pour la gouverne des députés, j'aimerais lire le texte de cet amendement proposé par Monsieur Southam. La présidence croit comprendre que cet amendement exige que toute personne qui possède 5 p. 100 au moins des actions d'une entreprise ne devrait pas voter si la compagnie dans laquelle il possède des intérêts fait l'objet d'une étude du comité. C'est ainsi que je crois comprendre l'amendement de Monsieur Southam.

Je lis l'amendement: Que l'article 6 du bill S-29 soit amendé en ajoutant un nouveau paragraphe à cet article qui se lirait comme suit:

> «Toutefois, aucun membre qui est propriétaire d'actions émises par une compagnie qui participe à un stade quelconque de l'industrie pérolière ou gazière au Canada ne peut voter lorsque le Comité est saisi d'une question afférente à cette compagnie.»

[*Texte*]

Amendment agreed to.

Clause 6 as amended agreed to.

On Clause 13—Waste prohibited.

Mr. St. Pierre: Mr. Chairman, I have my eye on the clock and I think I can be very brief in my explanation of this amendment. It revolves essentially around one word. At present subclause (1) reads:

> 13. (1) Subject to subsection (5) of section 48, any person who commits waste is guilty of an offence under this Act, but no prosecution may be instituted for such an offence without the consent in writing of the Committee.

The word I object to is "Committee". My feeling is that it is fundamentally wrong to give to an appointed Committee what is, in effect, the power to decide whether or not a law shall be enforced. I recognize that discretionary powers are needed in acts of this sort, but the discretionary power should never, in my opinion, be with an appointed committee. It should be with a responsible official, by which I mean an elected official. Accordingly, I move that subclause (1) of Clause 13 be amended by deleting all the words after the word "Act", and substituting the following therefor:

> ...but a prosecution may be instituted for such an offence only with the consent of the Minister.

The Chairman: Are there any comments from the members of the Committee?

Mr. Deakon: Yes, I would oppose this amendment. I do not agree with my learned friend, the honorable member, when he says it is not conceivable and proper to have appointed members—this Committee in particular—to decide on prosecution or no prosecution. Technically speaking, the members that are appointed to this Committee have been appointed and delegated by the Minister and, indirectly, the Governor in Council. I would prefer to see five people decide whether a person should be prosecuted, rather than the Minister.

Mr. Borrie: The only objection I have to having the consent in writing of the Minister is that I would fear that it could possibly be a political decision by a Minister, and therefore it would be taken out of the realm of impartiality.

• 1805

Mr. St. Pierre: I can probably sum up my answer to these statements just as briefly, Mr.

[*Interprétation*]

L'amendement est adopté.

L'article 6 modifié est adopté.

L'article 13—Le gaspillage est interdit.

M. St. Pierre: M. le président, j'ai les yeux sur l'horloge, et je serai bref au sujet de l'amendement. La question se ramène à un seul mot. Le paragraphe 1 stipule ce qui suit:

> 13. (1) Sous réserve du paragraphe (5) de l'article 48, quiconque fait du gaspillage est coupable d'une infraction en vertu de la présente loi, mais aucune poursuite ne peut être intentée pour une telle infraction sans le consentement écrit du Conseil.

Le mot qui motive mon objection est le «Comité». Il serait d'après moi erroné de donner à un comité nommé le pouvoir de décider de l'application d'une loi. J'admets que les pouvoirs discrétionnaires s'imposent dans de telles lois, mais de tels pouvoirs ne devraient jamais à mon sens être confiés à un comité nommé. Cela devrait incomber à un fonctionnaire élu. Voilà pourquoi je propose que le paragraphe (1) de l'article 13 soit modifié en supprimant le texte après le mot «loi» et en y substituant ce qui suit:

> «Mais une poursuite ne peut être intentée pour une telle infraction qu'avec le consentement écrit du Ministre».

Le président: Les membres du Comité ont-ils des remarques à faire?

M. Deakon: Oui, je m'oppose à cet amendement, parce que je ne suis pas de l'avis de mon honorable collègue lorsqu'il déclare qu'on ne devrait pas donner à des membres nommés, et spécialement aux membres de ce Comité, le pouvoir d'intenter ou non des poursuites. En effet, les membres de ce Comité ont été nommés et délégués par le ministre et indirectement par le gouverneur en conseil. Personnellement, je préfère que ce soit un groupe de cinq personnes plutôt que le ministre, qui décide si oui ou non une poursuite doit être intentée.

M. Borrie: La seule objection que j'aie à l'égard de la nécessité d'avoir le consentement écrit du ministre, est que sa décision pourrait être de nature politique et donc partiale.

M. St. Pierre: M. le président, je pourrais répondre brièvement à ces objections. Nous

[*Text*]

Chairman. We recognize the duties of the Committee. They are laid out in this Bill S-29. We know the purpose of the Committee, but in this Clause the power that is being given to the Committee is to decide whether or not a law will be enforced in specific instances. I cannot see that this power can possibly be given to appointed persons.

There are many areas in which provincial attorneys-general make the decision whether or not a law will be enforced. Lottery laws are a case in point, and undoubtedly these attorneys-general take the advice of prosecutors who are appointed officials, but the decision rests with them and they are responsible for it.

In this case I have no doubt that the Minister in question will take the advice of the Committee that we are discussing, but the responsibility must be his. He is the only proper, responsible person to be permitted to make such a decision, in my opinion.

The Chairman: Mr. O'Connell, you indicated you had something to say.

Mr. O'Connell: Yes, Mr. Chairman, I propose to support the amendment. I do appreciate the concern of others about political influence perhaps creeping in here, but let us look at the alternative. As I read Clause 13(1) as it now stands, the Committee might find that there is waste, the Crown might wish to prosecute, but if the Committee withheld consent in writing there could be no prosecution by an Act of Parliament.

I think that puts the Crown in an impossible position to enforce the very act that we are passing here. Therefore, I would conclude it is unwise, and from doing some research on this since I also proposed moving a similar amendment, I find it is a most unusual provision. I do not know one other Act of this Parliament—and I have asked for examples—where this kind of provision is present. The usual consent that is given is given to prevent frivolous prosecutions and it is always given by a minister of the Crown so far as I have been able to determine and I have asked for advice on that. Therefore, I think it is unusual to go with it as it stands. I think it would be unwise and therefore I would like to support the amendment.

Amendment agreed to.

Clause 13 as amended agreed to.

Clauses 13 as amended agreed to.

Clause 1 agreed to.

[*Interpretation*]

admettons les fonctions du Comité; elles sont exposées dans le Bill S-29. Nous connaissons le rôle de ce comité. Mais dans cet article le pouvoir qu'on confie au comité est celui de décider de l'opportunité d'appliquer une loi dans des cas précis. Pour moi il est impensable de confier de tels pouvoirs à des personnes nommées.

Dans bon nombre de domaines, les procureurs provinciaux des provinces prennent des décisions à propos de l'application d'une loi. On peut citer par exemple les lois sur les loteries: les procureurs généraux s'inspirent évidemment des conseils des procureurs nommés, mais ce sont les procureurs généraux qui prennent les décisions et doivent en rendre compte. Dans ce cas je suis sûr que le ministre en question sollicitera l'avis de ce Comité mais c'est à lui qu'incombera la responsabilité parce que, à mon sens, il est la seule personne qui devrait avoir le droit de prendre une telle décision.

Le président: M. O'Connell, vous avez quelque chose à dire.

M. O'Connell: Oui, M. le président, je propose d'appuyer l'amendement. Je comprends les craintes de ceux qui évoquent la possibilité d'influence politique mais voyons l'autre possibilité. Selon l'article 13 (1) tel qu'il est actuellement rédigé, si le comité constate un cas de gaspillage et que la Couronne veut intenter des poursuites judiciaires, si le Comité ne donne pas son consentement par écrit, aucune poursuite ne peut être intentée par voie d'une loi du Parlement.

Je crois qu'il serait impossible à la couronne de faire appliquer la loi que nous adoptons en ce moment. Pour conséquent, après avoir approfondi la question depuis que j'ai proposé de soumettre un amendement, je trouve cette disposition extrêmement insolite. A ma connaissance, une telle disposition n'est incluse dans aucune autre loi de ce Parlement ...et j'ai cherché des exemples... Le consentement qu'on donne d'habitude vise à empêcher des poursuites faites à la légère et c'est toujours le ministre qui donne un tel consentement, que je sache—et j'ai sollicité des conseils là-dessus. Je crois donc que cette procédure est inhabituelle, et qu'il serait peu sage de s'y conformer et j'aimerais appuyer l'amendement de notre collègue.

L'amendement est adopté.

L'article 13, paragraphe (1) modifié est adopté.

L'article 13 modifié est adopté.

L'article 1 est adopté.

[*Texte*]

Title agreed to.

The Chairman: Shall the Bill as amended carry?

Some hon. Members: Agreed.

The Chairman: Shall I report the Bill as amended?

Some hon. Members: Agreed.

Mr. Borrie: Just before you adjourn, I wonder if the steering committee will take into consideration the fact that any amendments to be presented to the Committee should be in enough copies for distribution to all Committee members. This applies particularly to some of the longer amendments.

The Chairman: That is a very good suggestion. The meeting is adjourned.

[*Interprétation*]

Le titre est adopté.

Le président: Le projet de loi modifié est-il adopté?

Des voix: D'accord.

Le président: Dois-je faire rapport de l'état du projet de loi avec l'amendement?

Des voix: D'accord.

M. Borrie: Avant l'ajournement, j'aimerais savoir si le comité directeur pourrait se prononcer sur le fait que tout amendement présenté au Comité devrait être distribué en nombre suffisant de copies à tous les députés surtout dans le cas des amendements plus longs.

Le président: C'est une très bonne suggestion

La séance est ajournée.

[*Text*]

APPENDIX N

Cost Estimates of Staff Requirements Under Sections 4 and 5, Bill S-29 (1)

Section 4: Direct Costs of the Oil and Gas Committee

(i) Remuneration to two members from the private sector (2) $7,500; (ii) Travel expenses of Committee (3) $4,000; (iii) Personal expenses of Committee (4), $2,500;

Total: $14,000.

Section 5, subsection 3: Cost of Professional, Technical and other services to the Committee

Case I: Service provided as and when required by Departmental personnel now headquartered in Ottawa

(a) Salaries (5)

(i) Legal Counsel $1,500; (ii) Secretary $1,500; (iii) Land Title Clerk (6) $1,000; (iv) Reservoir Geologist (6) $1,000; (v) Production Engineer (6) $1,000; (vi) Pipeline Engineer (6) $1,000; (vii) Resource Economist (6) $1,000; (viii) Typists, clerks and other $1,500;

Total: $9,500

(b) Travel and personal expenses to Committee hearings (7) $4,500

(c) Office facilities (8) $375.

(d) Material, Supplies, advertisements, etc. $1,000

Total $15,375

Case II: Services provided by Staff specially recruited for the Committee and headquartered in the Territories

(a) Salaries (9) $114,000.

(b) Travel and personal expenses to Committee hearings (7) $4,500.

(c) Office facilities (10) $7,200.

(d) Material, Supplies, advertisements, etc. $1,000.

Total $126,700

[*Traduction*]

APPENDICE N

Évaluation du coût des besoins en personnel indiqués aux articles 4 et 5 du Bill S-29 (1)

Article 4: Coût direct du Comité du pétrole et du gaz

(i) Rémunération de deux membres du secteur privé (2), $7,500; (ii) Frais de déplacement du Comité (3) $4,000; (iii) Dépenses personnelles des membres du Comité (4), $2,500;

Total: $14,000.

Article 5, paragraphe 3: Coût des services professionnels, techniques et autres fournis au Comité

Cas I: Services fournis, conformément aux besoins et lorsqu'il y a lieu, par le personnel du Ministère posté à Ottawa

a) Traitements (5)

(i) Conseiller juridique, $1,500; (ii) Secrétaire, $1,500; (iii) Commis aux titres sur les terres (6), $1,000; (iv) Géologue des réservoirs (6), $1,000; (v) Ingénieur à la production (6), $1,000; (vi) Ingénieur de pipe-lines (6), 1,000; (vii) Économiste en ressources (6), $1,000; (viii) Dactylographes, commis et autres, $1,500;

Total: $9,500.

b) Frais de déplacement et dépenses personnelles des personnes devant se rendre aux audiences du Comité (7), $4,500.

c) Bureaux (8), $375.

d) Matériel, fournitures, annonces, etc., $1,000.

Total: $15,375.

Cas II: Services fournis par du personnel spécialement recruté pour le Comité et posté dans les Territoires

a) Traitements (9), $114,000.

b) Frais de déplacement et dépenses personnelles des personnes devant se rendre aux audiences du Comité (7), $4,500.

c) Bureaux (10), $7,200.

d) Matériel, fournitures, annonces, etc., $1,000.

Total: $126,700.

[*Text*]

EXPLANATORY NOTES

(1) Average annual deployment in the period to 1980 assumed to be one month, consisting of four meetings of one-weeks duration.

(2) Annual retainer for two members from the private sector at $3,000 with day-rate of $150 for each day in excess of 20 days.

(3) Committee meetings will be held as appropriate in Ottawa, Calgary or in centres within the Territories. Calgary selected for purposes of the cost estimated with 4 trips return for four members. One member considered to be resident at site of meeting.

(4) Assume daily expenses at $25 for each of four, six-day week.

(5) Assume one-month service annually.

(6) Professional and Technical assistance based on studies made and information compiled for normal resource management requirements.

(7) Assume three staff members required (legal, secretary and one other).

(8) Prorated for one-month office accommodation at Ottawa, at $5.00 per square foot; nine employees with 100 square feet each.

(9) Twelve month permanent employment to effect only one-month's temporary or specific work assignment for those listed under item (a) of Case I.

(10) Twelve month accommodation at Whitehorse at $8.00 per square foot; nine employees with 100 square feet each.

[*Translation*]

NOTES EXPLICATIVES

(1) Déploiement annuel moyen pour la période allant jusqu'à 1980 considéré comme étant d'un mois, soit quatre séances d'une durée d'une semaine.

(2) Rémunération annuelle de $3,000 versée à deux membres du secteur privé, plus un taux quotidien de $150 après les vingt premiers jours.

(3) Les séances du Comité auront lieu, selon les besoins, à Ottawa, à Calgary, ou dans des centres situés dans les Territoires. Aux fins de la présente évaluation, on a choisi Calgary, et le coût a été calculé pour quatre voyages aller-retour, et pour quatre membres. Le cinquième membre du Comité est considéré comme résidant au lieu de la séance.

(4) Dépenses quotidiennes calculées à $25 par personne, pour quatre membres du Comité, et pour une semaine de six jours.

(5) Calculés en fonction d'un mois de service par an.

(6) Évaluation de l'aide professionnelle et technique fondée sur les études faites et sur les données compilées pour les besoins normaux du service de gestion des ressources.

(7) Calculés pour un personnel composé de trois membres (conseiller juridique, secrétaire et un autre).

(8) Calculé au prorata pour l'occupation de bureaux à Ottawa pendant un mois, à $5 du pied carré; neuf employés, avec 100 pieds carrés chacun.

(9) Engagement permanent (douze mois) des employés énumérés à la rubrique *a)* du Cas I, et qui n'accompliront qu'un mois de travail temporaire, ou des travaux spéciaux.

(10) Locaux à Whitehorse pendant douze mois, à $8 du pied carré; neuf employés, avec 100 pieds carrés chacun.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la
vingt-huitième législature, 1968-1969

STANDING COMMITTEE
ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT
DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS
AND EVIDENCE

PROCÈS-VERBAUX ET
TÉMOIGNAGES

LIBRARY
JUN 16 1969
UNIVERSITY OF TORONTO

No. 24

THURSDAY, MAY 15, 1969

LE JEUDI 15 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des Affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*)

(*Voir Procès-verbaux*)

20331—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs. — et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Text*]

MINUTES OF PROCEEDINGS

THURSDAY, May 15, 1969.
(25)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.15 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Duquet, Nielsen, O'Connell, Orange, Simpson, Smerchanski, Southam, St. Pierre, Watson, Yewchuk.—(14)

Witnesses: From the Yukon Electric Company Limited: Mr. E. W. King, Vice-President and President of Canadian Utilities Limited; Mr. R. H. Choate, General Manager; Mr. B. V. Massie, Q.C., Counsel; and Mr. R. L. Schantz, Vice-President, Foster Associates, Inc. of Calgary and Washington, D.C.

The Committee resumed consideration of Item 1—Departmental Administration—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969, so as to allow the discussion of electric power in the Yukon Territory as agreed by the Committee on Monday, March 10, 1969.

The Chairman introduced the witnesses. Mr. Choate presented, in English and French, a brief entitled "*The Role of Investor-owned Electric Utilities in the Development of the North.*" Mr. King then commented on the brief, after which the witnesses were questioned.

Later, the Chairman and members of the Committee thanked the witnesses for their presentation.

At 1.20 p.m., on motion of Mr. St. Pierre, the Committee adjourned to the call of the Chair.

[*Traduction*]

PROCÈS-VERBAUX

Le JEUDI 15 mai 1969
(25)

Le Comité permanent des Affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h 15, sous la présidence de M. Ian Watson, président.

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Duquet, Nielsen, O'Connell, Orange, Simpson, Smerchanski, Southam, St. Pierre, Watson, Yewchuk.—(14)

Témoins: De la *Yukon Electric Company Limited:* M. E. W. King, vice-président, et président de la *Canadian Utilities Limited;* M. R. H. Choate, directeur général; M. B. V. Massie, C.R., conseiller; et M. R. L. Schantz, vice-président, Foster Associates, Inc. de Calgary et de Washington, D.C.

Le Comité poursuit l'examen du crédit 1—Administration du ministère—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969, crédit qui avait été mis en délibération afin de permettre au Comité d'étudier la question de l'énergie électrique dans le territoire de Yukon, comme le Comité a convenu le lundi 10 mars 1969.

Le président présente les témoins. M. Choate présente en anglais et en français un mémoire intitulé «*The Role of Investor-owned Electric Utilities in the Development of the North*». M. King a alors commenté le mémoire, et par après, les témoins sont soumis à des questions.

Plus tard le président et les membres du Comité remercient les témoins pour leur représentation.

A 1 h 20 de l'après-midi, sur la proposition de M. St. Pierre, le Comité s'ajourne jusqu'à nouvel avis.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

20331—1½

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Thursday, May 15, 1969.

• 1114

The Chairman: Gentlemen, I call the meeting to order. I wish to call Item 1:

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Administration

1 Departmental Administration including Northern Scientific Research, and Grants as detailed in the Estimates—$6,465,900

We are pleased to have with us today witnesses from the Yukon Electrical Company Limited. On my right, Mr. Bob Choate, General Manager of Yukon Electrical Company Limited; Mr. E. W. King, Vice-President of Yukon Electrical Company Limited and President of Canadian Utilities Limited; Mr. R. L. Schantz who is the Vice-President of Foster Associates, Inc., Calgary, Alberta and Washington, D.C.; and Mr. B. V. Massie, Q.C., who is the Counsel of Yukon Electrical Company Limited and Counsel to Milner Steel of Edmonton, Alberta. We are very pleased that you gentlemen have taken the trouble to come to appear before the Committee. Mr. Choate will lead off. Mr. Choate.

• 1115

Mr. R. H. Choate (General Manager of Yukon Electrical Company Limited): Thank you very much, Mr. Watson. First, I would like to express on behalf of the Company our thanks for this opportunity to present this brief and speak to you at this time. When the Committee was in Whitehorse earlier this year we had hoped we would have more time to talk to you then, but this just was not possible so we are certainly appreciative of this opportunity now to speak to the brief.

I am going to ask Mr. King to summarize our main points in the brief. Mr. King was my predecessor in Whitehorse as General Manager of Yukon Electrical and was there from 1958 until 1961, so he certainly speaks with authority about the Yukon and Yukon Electrical. Mr. King.

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le jeudi 15 mai 1969

Le président: Messieurs, nous allons commencer. J'aimerais parler du 1er article.

MINISTÈRE DES AFFAIRES INDIENNES ET DU NORD CANADIEN

Administration

1 Administration centrale, y compris des recherches scientifiques sur le Grand Nord et les subventions selon le détail des affectations—$6,465,900.

Nous sommes heureux de recevoir des témoins de la Compagnie d'Électricité du Yukon, Limitée. Voici à ma droite, M. Bob Choate, directeur général de la Compagnie d'Électricité du Yukon, Limitée; M. E. W. King, vice-président de la Compagnie d'Électricité du Yukon, Limitée, et président de la *Canadian Utilities Limited*; M. R. L. Schantz, vice-président de la *Faster Associates, Inc.*, à Calgary (Alberta) et à Washington (D.C.); enfin, M. B. V. Massie, C.R., conseiller à la *Milner Steel* d'Edmonton (Alberta). Nous sommes très heureux que vous ayez pris la peine de venir participer au Comité. M. Choate nous adressera la parole.

M. R. H. Choate (Directeur général de la Compagnie d'Électricité du Yukon): Merci beaucoup, M. Watson. En premier lieu, j'aimerais, au nom de la compagnie, vous remercier de nous avoir permis de présenter ce mémoire, et de vous adresser la parole. Pendant une réunion du Comité à Whitehorse, plus tôt cette année, nous avions espéré avoir plus de temps pour vous parler mais cela n'a pas été possible. Donc, nous sommes très heureux d'avoir l'occasion, maintenant, de parler au sujet de notre mémoire.

Je vais demander à M. King de résumer les points principaux du mémoire. M. King, ancien directeur général de la Compagnie d'Électricité du Yukon fut mon prédécesseur de 1958 à 1961. Par conséquent, il connaît fort bien le Yukon et la Compagnie d'Électricité du Yukon. M. King, à vous la parole.

[*Text*]

Mr. E. W. King (Vice-President of Yukon Electrical Company Limited): Thank you, Mr. Choate. Mr. Watson and gentlemen, we have been becoming more and more concerned as time goes on with the climate facing our operations in the Yukon, and I am certainly not speaking of temperatures. We have been there a good many years and have extended our electrical facilities into very many small communities and have provided what we consider to be good service. We have done so in what we feel is a reasonable expectation that as the territory grows we could participate in the growth.

Our concern now is the government agency, the Northern Canada Power Commission, which is taking to itself those markets that are really the economically worthwhile loads that we are now offering. There is no stated government policy in this matter. It is simply happening.

We have prepared a brief which you have before you, and we have additional copies, in which we outlined the history of what we have done. We would like to emphasize that during the expansion of our operations in the Yukon, and to some extent in the Northwest Territories, we have received encouragement from various departments of government, both federally and territorially, to go into many of these situations.

As recently as last September, for example, as the brief notes, we were sold the distribution system in upper Whitehorse by the federal government which we take to be encouragement of what we are doing. We therefore feel that our role in the area and the role of investor-owned power systems should be recognized and that our situation should be formalized, perhaps.

We contend that the Northern Canada Power Commission was not set up as a monopoly. The record in the House at the time it was set up is clear on that. We submit that the investor-owned utilities should be afforded the opportunity to participate in the development of electric resources in the north. We further suggest that there is a logical area for joint participation with government as is happening in areas in the United States at the present time. This is in connection with the development of large hydro projects which can perhaps best be done by government, particularly if international waters are involved, but leaving to the private distributor the retail distribution of the supply which we feel we are particularly qualified to do.

[*Interpretation*]

M. E. W. King (Vice-président de la Compagnie d'Électricité du Yukon): Merci monsieur Choate. Monsieur Watson, messieurs, nous sommes de plus en plus préoccupés à mesure que le temps passe du climat dans lequel se font nos travaux au Yukon, entendez bien que je ne parle pas de la température. Nous sommes là depuis un bon nombre d'années et grâce à nous beaucoup de petites localités jouissent d'installations électriques. Nous fournissons ce que nous considérons être un bon service. Nous pensons que nous avons suivi le rythme d'expansion du territoire.

Nous nous occupons maintenant de la Commission d'Énergie du Nord Canadien qui s'approprie les marchés valables que nous offrons. Il n'y a pas de politique gouvernementale à ce sujet. C'est simplement quelque chose qui se produit.

Nous avons préparé un mémoire que vous avez sous les yeux. Nous avons des exemplaires supplémentaires où nous donnons l'historique de ce que nous avons fait. Nous aimerions souligner qu'au cours de l'expansion de nos travaux dans le Yukon et les Territoires du Nord-Ouest, différents ministères des gouvernements fédéral et territorial nous ont encouragés à analyser ces situations.

Dès septembre dernier, comme on l'indique dans le mémoire, le gouvernement fédéral nous a vendu les réseaux de distribution dans la région de Whitehorse, fait qui nous a stimulé à agir dans ce sens. Nous pensons, par conséquent, que notre rôle dans cette région et le rôle des réseaux d'énergie privés devraient être reconnus et que notre situation devrait être rendue officielle.

Nous prétendons que la Commission d'Énergie du Nord Canadien n'a pas été créée pour avoir le monopole. Le rapport de la Chambre à ce moment-là était précis à ce sujet. Nous croyons qu'on devrait permettre aux services privés de participer à l'expansion des ressources électriques du Nord. De plus, nous proposons qu'il y ait un domaine logique de participation conjointe avec le gouvernement, comme c'est le cas en ce moment dans certaines régions des États-Unis. Cela doit être fait en relation avec la mise au point de grands projets hydro-électriques par le gouvernement surtout s'il s'agit d'eaux internationales et par les distributeurs privés, s'il s'agit de distribution au détail des produits, domaine où nous sommes particulièrement compétents.

• 1120

[*Texte*]

We are further suggesting that we have no objection whatever to being subjected to government regulation in that in our operations elsewhere, particularly in Alberta, we are under two regulatory boards and our operations are geared to the control both of rates and service areas by these boards. Finally, in our brief we are proposing a rate equalization plan which we feel offers a viable means of making available to customers in the remote settlements residential electric rates the same as those in Whitehorse, which is the lowest rate area in the Yukon. We take issue in our brief with the Carr Report on the matter of the trend of ownership of electric facilities. Mr. Schantz prepared an appendix to the brief demonstrating that the American practice is anything but trending towards government ownership. The ratio of government to private ownership of electric facilities in the United States has been substantially unchanged over the past 15 years.

We further suggest that the largest power development presently going on in Canada at Churchill Falls is being done by private capital and that we would like nothing more than an opportunity to participate in large developments which may occur in the North. I think in capsule form, Mr. Chairman, that is our submission to you and we welcome an opportunity to answer questions on any phase of it.

The Chairman: Perhaps for the benefit of members of the Committee, Mr. King, would you like to skim through the brief that you submitted outlining the high points?

Mr. King: We point out that our company was incorporated in 1901 and has been serving the Whitehorse area since that time. The present management acquired control of the company in 1958 and from that time we have followed a policy of supplying service in many small communities. Almost without exception, we have been able to reduce rates over the rates being charged when we first entered these communities. Certainly we have improved the service. For example, when we went into the settlement of Watson Lake in 1959 the rate was 25 cents a kilowatt hour. A local garage operator ran the plant as a sideline. We built a proper power plant there and we now have, the lowest rate of three-and-a-half cents, which has been the rate since 1965.

I would like to point out that in every instance these communities were open to service by Northern Canada Power Commission

[*Interprétation*]

Nous voulons ajouter aussi que nous n'avons pas d'objections à être soumis aux réglementations gouvernementales dans nos travaux ailleurs, particulièrement en Alberta, où nous dépendons de deux conseils de réglementation et où nos travaux sont soumis à ces conseils qui réglementent les taux et les champs d'action.

Enfin, dans notre mémoire, nous proposons un taux de péréquation qui, à notre avis, constitue un moyen raisonnable de fixer des taux d'électricité résidentiels pour les habitants des régions éloignées, comme ceux de Whitehorse qui ont les taux les moins élevés du Yukon. Nous contestons dans notre mémoire l'affirmation du rapport Corr sur la tendance de propriété des installations électriques. M. Schantz a préparé un appendice qui figure au mémoire indiquant que la pratique aux États-Unis va à l'encontre de la propriété gouvernementale. Le rapport entre la propriété publique et privée des installations électriques aux États-Unis, est demeuré presque stable au cours des 15 dernières années.

De plus, nous suggérons que le plus important développement d'énergie hydraulique au Canada à Churchill Falls se fait avec du capital privé et nous aimerions avoir la possibilité de participer aux grands développements qui pourront se produire dans le Nord. Voilà, je pense, monsieur le président, ce que nous avons à vous soumettre et nous serions heureux d'avoir la possibilité de répondre à des questions sur n'importe quel aspect de ce rapport.

Le président: Peut-être pour le bénéfice des membres du Comité, monsieur King, est-ce que vous voulez passer en revue ce mémoire rapidement?

M. King: Nous indiquons que notre compagnie a été incorporée en 1901 et dessert la région de Whitehorse depuis ce temps. La direction actuelle a pris le contrôle en 1958 et depuis nous avons suivi une politique qui consiste à servir un grand nombre de petites communautés. Presque sans exception, nous avons pu réduire les taux sur ce qui était chargé avant que nous fassions notre entrée dans ces collectivités. Nous avons certainement amélioré le service. Par exemple, lorsque nous sommes allés à Watson Lake en 1959, le taux que l'on chargeait était de 25 cents le kilowatt-heure. Un garagiste local exploitait la centrale comme un à-côté. Nous avons établi une usine d'énergie sur place et nous avons maintenant le taux le plus bas de 3½ cents depuis 1965.

J'aimerais indiquer aussi que dans chaque cas, ces collectivités qui ont eu la possibilité d'avoir les services de la Commission d'éner-

[*Text*]

who elected not to do so. In 1964 we commenced serving the settlement of Old Crow, which is 60 miles north of the Arctic Circle.

• 1125

This was at the request of the territorial government that had inherited the job from Northern Affairs. It was put to us on the basis that the territorial government felt their cost would be 27 cents a kilowatt hour and we suggested that we take a shot at it at 25 cents. We were able later to reduce the rate to 15 cents for the residential customers there. These are high rates which we admit but we are paying $1.38 for diesel fuel landed in Old Crow.

In Dawson City in 1965 we put forward a proposal to serve the community which was rejected, and Northern Canada Power Commission is now serving it. The rates we offered at that time were of the order of 20 per cent below those presently being charged by the Northern Canada Power Commission.

I would repeat we feel we have been encouraged by statements of the Ministers of Northern Affairs in both the Progressive Conservative and the Liberal governments over the past ten years that it is, in fact, the government's policy to provide an environment conducive to the investment of private capital in northern Canada. This is one reason for our concern now that we appear to be faced with a change in this policy that has not been publicly stated.

As I mentioned, with reference to Hansard in 1948 and again in 1956, it was clear that it was not the intention at the time the Northern Canada Power Commission was set up that it would be a monopoly in northern Canada. It was set up to serve specific situations and it was not intended to go into competition with suppliers then functioning. We find in dealing with some of these larger respective loads such as Pine Point and Anvil that the total supply of facilities, roads, schools and streets seem to be packaged up and there is no opportunity for us to bid on such supply.

We contend that in a free economy the government should only occupy those areas that private capital is not prepared, or is unwilling, to occupy.

We detail at some length the various services we provide which we think are better than Northern Canada can provide. We have such things as a home economist, and a safety program that we demonstrate in the schools.

[*Interpretation*]

gie du Nord canadien ont choisi de ne pas le faire. En 1964, nous avons commencé à servir Old Crow, situé à 60 milles au nord du Cercle Arctique. Ceci a été fait à la demande du gouvernement territorial qui en avait hérité du Nord canadien. La proposition nous a été faite sur la base que le gouvernement territorial croyait que le coût serait de 27 cents le kilowatt-heure et nous avons suggéré de le faire à 25 cents. Plus tard, nous avons pu réduire ces taux à 15 cents pour les clients résidentiels à cet endroit. Ce sont des tarifs élevés, bien sûr, mais nous payons $1.38 pour le carburant diesel déchargé à Old Crow.

A Dawson City en 1965, nous avons proposé de desservir la communauté et cela a été rejeté. C'est maintenant la Commission d'énergie du Nord canadien qui la dessert. Le tarif que nous avons offert alors était aux environs de 20 p. 100 inférieur à ceux qui sont chargés actuellement par la Commission d'énergie du Nord canadien.

Je répète que nous pensons que nous avons été encouragés par ce que les ministres du Nord canadien dans les gouvernements libéral et conservateur nous ont dit au cours des dix dernières années, soit que c'est la politique du gouvernement de fournir une ambiance favorable à encourager le secteur privé à se développer dans le Nord. C'est une des raisons de notre inquiétude maintenant qu'il semble que nous envisageons une modification de politique qui n'a pas été déclarée publiquement.

J'ai mentionné en référence au Hansard de 1948 et aussi de 1956, il était clair que ce n'était pas l'intention lorsqu'on a créé la Commission d'énergie du Nord canadien qu'elle serait un monopole dans le Nord du Canada. Elle devait desservir des situations particulières et ne devait pas entrer en concurrence avec les approvisionneurs qui fonctionnaient à l'époque. Nous nous apercevons qu'en traitant de charges plus lourdes comme Pine Point et Anvil que l'approvisionnement total d'installations, routes, écoles et rues, était considéré d'une façon globale et nous n'avons pas la possibilité de faire des soumissions pour ces services.

Nous prétendons que dans une économie libre, le gouvernement devrait s'occuper seulement des domaines où le secteur privé n'est pas en mesure ou n'accepte pas de le faire.

Nous donnons en détail les différents services que nous fournissons, ce qui est bien mieux que ce que peut faire le Grand Nord canadien. Nous avons un économiste ménager, un programme de sécurité dont nous faisons

[*Texte*]

We have, in fact, been providing electrical inspection in the North in the absence of an ordinance, which was only recently introduced in the Yukon. We have been quite aggressive in rate design in an effort to make it possible for specific industries to utilize our service, things like off-peak rates, heating rates, and water heating rates. All of these have been to the general good of the communities we serve, particularly in the case of Whitehorse. It has enabled Northern Canada

• 1130

Power Commission, who serve us at wholesale to lower their rates and this in turn has been passed on to the Whitehorse consumer.

In the case of our suggestion for rate equalization, we are proposing that the funds available to the territorial government from the rebate of the federal income tax derived from the Investor-Owned Utilities Program under the Public Utilities Income Tax Transfer Act of 1966 should be used to equalize rates in our service areas.

This act originally was intended to have such taxes flow back to the provinces of origin and was later extended to include the territories.

The Province of Alberta has passed enabling legislation which in turn will permit this money to flow through to the customers of the utilities in Alberta. We are suggesting that in the case of the territories it flow through on a differential basis and so that a consumer at Fort Providence or Old Crow can obtain supply effectively at the lowest rate in the territory that we have.

The advantage of what we are suggesting is in our view that it overcomes the difficulties of a flat subsidization to consumers where you would end up supplying at less than cost, because if you do supply a customer at less than cost through a subsidy you have no way of measuring how much you should supply or how far you should go to do so.

However, our proposal is that we would continue to charge our normal rates. The economics of service to a customer would therefore be based on those rates as far as we are concerned, but the equalization would be effected by a rebate applied to the account so as to bring it effectively to the Whitehorse, or in the case of the Northwest Territories, the Hay River rate.

This thus retains the economic measurement from our point of view of supply while

[*Interprétation*]

la démonstration dans les écoles. Nous avons assuré l'inspection électrique dans le Nord en l'absence d'une ordonnance qui a été inaugurée au Yukon. Nous sommes allés de l'avant dans la conception des taux afin de faciliter aux industries spécifiques l'utilisation de nos services, comme les taux hors pointe, les taux de chauffage, les taux de chauffage de l'eau. Tout cela était pour le bien des collectivités que nous desservons, particulièrement pour Whitehorse. Cela a permis à la Commission d'énergie du Nord canadien qui nous dessert, de baisser ces taux dans l'ensemble, et cela a été remis au consommateur de Whitehorse.

En ce qui concerne notre proposition relative à la péréquation des taux, nous proposons que les fonds mis à la disposition des gouvernements territoriaux, découlant des escomptes de l'impôt fédéral sur le revenu dérivé du Programme des entreprises privées dans le domaine des utilités publiques en vertu de la Loi sur les transfert de l'impôt sur le revenu des entreprises d'utilité publique de 1966 devrait être utilisée pour égaliser les taux dans nos régions de service.

Cette loi, à l'origine, avait pour but de remettre ces taxes aux provinces d'origine, puis s'est étendue aux territoires. La province de l'Alberta a passé une loi qui permet à cet argent de passer aux clients des services de l'Alberta. Dans le cas des territoires cela pourrait se faire sur une base différentielle afin que le consommateur de Fort Providence ou de Old Crow puisse obtenir une fourniture de services au taux le plus bas possible pour le territoire.

L'avantage qui découle de notre suggestion, c'est qu'elle surmonte la difficulté d'une subvention uniforme aux consommateurs où nous serions obligés de fournir à prix inférieur que le coût, car si vous faites cela au moyen d'une subvention, vous n'avez pas de moyen de mesurer combien vous devez fournir et jusqu'où vous devriez aller. Mais notre proposition, c'est que nous devrions continuer à demander nos taux normaux, et nos services aux clients seraient ainsi fondés sur ces taux, en ce qui nous concerne, mais l'égalisation serait effectuée par un remboursement pour faire diminuer le taux au taux accordé à White Horse et à Hay River, dans les Territoires du Nord-Ouest.

Par conséquent, à notre point de vue, nous garderions une mesure économique pour assu-

[*Text*]

at the same time it makes available to the consumer the lowest possible rate. So there is a measure of control on the economics of it from the company's point of view.

In addition to the equalization there will, in fact, be a reduction available because the equalization can be effected without using up the total amount of the rebate. I might mention in passing the purpose of the rebate was to recognize that in those provinces not having government-owned systems there was an inequity to the consumer in having an income tax component in his electric, gas, or steam bill as between Ontario Hydro, say, and the Province of Alberta. This was recognized to be inequitable and the rebate has been designed to eliminate that.

I mentioned in my summary that we have no objection to being regulated. As a matter of fact, we would welcome regulation of our rates. The difficulty from the point of view of the territorial governments has been that to constitute an effective regulatory agency is costly. There is a skill required and these people are expensive, and at the same time such a board would not be overly burdened with work. We are suggesting that the National Energy Board through some arrangement that ought to be quite easily put together be enabled to regulate our electric rates in the two territories.

• 1135

In 1961 we suggested, and the suggestion was followed, that the Alberta Public Utilities Board review our Yukon rates as an agent of the territorial government and this was done. As a result of the review the territorial government was assured that we were, in fact, operating within the terms and conditions of our franchises and that our rates were in accordance with what we had agreed to do. However, to put it on a more permanent basis I am suggesting that the National Energy Board might be a suitable agency to undertake this regulation, particularly as they would have the skills required for the job.

The Carr Report makes several mentions of the need for long-range planning of power facilities in the north and this, in fact, is a matter of concern. However, our suggestion is that in the Province of Alberta where we are part of the provincial grid and are constantly involved in such long-range planning, this is not new to us and we are competent to do this type of work.

We could take issue with some things that have been done under the name of planning; particularly, we feel that there is some doubt about the economics of the transmission line

[*Interpretation*]

rer aux consommateurs le taux le plus bas possible. Par conséquent, il y a une certaine mesure de contrôle sur l'économique du point de vue de la compagnie.

En plus de l'égalisation, il y aura une réduction parce que l'égalisation peut être effectuée sans utiliser toutes les sommes remboursées.

Je pourrais dire en passant que nous reconnaissons que dans certaines provinces, où il n'y a pas de système subventionné par l'État, il y avait une injustice envers le consommateur qui devait payer l'impôt aussi à même son compte de gaz ou d'électricité. On a reconnu cela comme étant une injustice et on a prévu des remboursements pour faire disparaître cette inégalité.

Dans le sommaire, j'ai mentionné que nous ne nous opposons pas au Règlement. En fait, nous serions heureux que l'on fasse un Règlement sur les taux, mais du point de vue du gouvernement territorial, la difficulté c'est que si on veut établir une agence de contrôle effective, cela coûterait très cher. Il faut du personnel et des compétences, et cela coûte cher, et une telle commission n'aurait pas beaucoup de travail à faire, en plus. Ce que nous suggérons, c'est que la Commission nationale de l'énergie prenne des dispositions pour régler nos taux d'électricité dans les deux territoires.

En 1961, on a accepté la proposition que la Commission des services publiés de l'Alberta fasse une revue des taux du Yukon, à titre d'agent du gouvernement territorial, ce qu'elle a fait. Le résultat de cette revue a été qu'on a assuré le gouvernement territorial que nous fonctionnions selon notre mandat et notre concession et que nos taux étaient conformes à ce que nous avions décidé. Mais je pense que la Commission nationale de l'énergie serait une agence adaptée à ce genre de travail permanent, de surveillance permanente. Ils ont les gens compétents pour faire ce travail.

Le rapport Carr parle de l'orientation à long terme des besoins d'électricité dans le Grand Nord, et c'est une question qui nous intéresse beaucoup. Mais dans la province de l'Alberta, où nous faisons partie du réseau provincial, et sommes constamment engagés dans la planification à long terme, cela n'est pas nouveau pour nous et nous avons la compétence voulue pour faire ce genre de travail.

Nous pourrions nous opposer à certaines choses que l'on a faites au nom de la planification; en particulier, nous sommes un peu douteux au sujet de la rentabilité de certaines

[*Texte*]

which has been constructed from Whitehorse to Anvil. In the case of Cassiar for example, the ore trucks are used to haul diesel fuel on a back-haul basis and there is an economy in so doing.

In the case of Anvil, the Northern Canada Power Commission has constructed a diesel plant to go with its hydro development in Whitehorse and it seems to us that about all that is going to be done is to move diesel fuel by electric transmission line rather than by means of these trucks on back haul. I point this out as an example that there is no infallibility in our view in planning by government in a situation like this.

I believe, Mr. Chairman, that is my summary. Thank you.

The Chairman: Thank you, Mr. King. I have indicated questions here by Mr. Smerchanski and Mr. Borrie. Mr. Smerchanski.

Mr. Smerchanski: Mr. Chairman, I would like to ask a few preliminary questions. Who regulates the rates that you are going to charge in any one area? What clearance do you have to go through? Is it Ottawa, and if so what department?

Mr. King: At the present time we deal with the Commissioner to negotiate franchises or in the case of some of these very small settlements it is simply by an exchange of correspondence. We are required by our franchises to supply our financial results to the Commissioner. It is the territorial governments we are dealing with.

Mr. Smerchanski: In other words, there is a control on the rates that you charge for power in the Yukon Territory?

Mr. King: There is a legal control. It has not effectively been exercised.

Mr. Smerchanski: According to this report, you are quite competent and able to supply all the power requirements as they may develop in the Yukon Territory?

Mr. King: If we knew we had the responsibility for that long-range planning I would say, yes.

Mr. Smerchanski: Is there any project on which there is a joint participation with the government at the present time?

Mr. King: At Whitehorse the Northern Canada Power Commission has a large hydro plant and we purchase the output of that and distribute it in the Whitehorse area. At Yellowknife a similar arrangement exists with

[*Interprétation*]

lignes qui ont été construites de Whitehorse à Anvil. Dans le cas de Cassiar, par exemple, on utilise des camions pour transporter le carburant diesel et cela représente une certaine économie.

Dans le cas d'Anvil, la Commission d'énergie du Nord canadien a construit une usine à diesel pour sa centrale hydro-électrique de Whitehorse, et il nous a semblé que l'on va transporter le carburant diesel par des lignes de transmission électrique au lieu de le transporter par camion. Tout cela nous prouve que le gouvernement n'est pas infaillible dans sa planification, dans une situation comme celle-là.

Monsieur le président, je pense que c'est à peu près tout ce que j'ai à dire à ce sujet. Merci.

Le président: Merci, monsieur King. MM. Smerchanski et Borrie ont des questions à poser. Monsieur Smerchanski.

M. Smerchanski: Monsieur le président, je voudrais poser quelques questions préliminaires. Qui fait les règlements au sujet des taux que vous appliquez aux régions? Est-ce que vous devez passer par Ottawa? Si oui, quel est le ministère intéressé?

M. King: Nous faisons actuellement affaire avec le commissaire qui négocie les concessions, et dans le cas de certaines petites collectivités, cela se fait tout simplement par correspondance. Notre concession exige que nous fournissions des rapports financiers au commissaire. Nous traitons avec les gouvernements territoriaux.

M. Smerchanski: Autrement dit, il y a un contrôle sur les taux que vous appliquez au Yukon?

M. King: Oui, il y a un contrôle légal qui n'est pas exercé efficacement.

M. Smerchanski: D'après ce rapport, vous êtes en mesure de fournir toute l'énergie nécessaire à mesure que le territoire du Yukon se développera?

M. King: Si nous savions que nous pourrions faire la planification à longue échéance, je dirais oui.

M. Smerchanski: Est-ce que le gouvernement participe maintenant à un projet quelconque?

M. King: La Commission d'énergie du Nord canadien a une usine assez considérable à Whitehorse, et nous achetons le produit de cette usine pour le distribuer dans la région de Whitehorse. A Yellowknife, la Commission

[*Text*]

the Northern Canada Power Commission having plants on the Snare River and a company called Plains Western Gas and Electric Co. Ltd. distributes in the Yellowknife area.

Mr. Smerchanski: In reference to your rate equalization on power consumption in the territory, how does your rate-equalization plan compare with that of the government, or has the government got one?

• 1140

Mr. King: The government has made several attempts at this and they have run into the problem I have mentioned of the degree of subsidization you should introduce. They have approached it on the basis of selecting, say, a minimum amount of power that the average user might use and have tried to work out a subsidy scheme which would result in that amount of power being, say, the same cost as in Ontario. These are suggestions that have been mooted, but they have not come to any conclusion.

Mr. Smerchanski: Would it be correct to say that the government at the present time does not have an equalization plan?

Mr. King: That is correct as far as I know.

Mr. Smerchanski: Is the government at the present time subsidizing an operation rather than equalizing rates in the territory?

Mr. King: Under the Northern Canada Power Commission Act, each installation made is self-sufficient and the rates at that place are designed to meet the costs of service at the locality. Therefore, there is a considerable spread in their rates from one place to another.

Mr. Smerchanski: Mr. Chairman, I am sure that Mr. King is acquainted with the Carr Report. Do you feel that in connection with the government figures on capital costs of power development in the territory, that there has been proper cost allocation as to capital and amortization on these plants?

Mr. King: First of all, we think the total power requirements that this Carr Report projects are larger than is necessary. As to the allocation of cost between the capital servicing and amortization, I cannot express an opinion on that. I can point to examples where amortization on a hydro plant is obviously inadequate at the present time. The Mayo plant of northern Canada in our view

[*Interpretation*]

a des usines sur la rivière Snare et une compagnie, la Plains Western Gas and Electric Co. Ltd., distribue l'énergie dans la région de Yellowknife.

M. Smerchanski: En ce qui concerne l'égalisation des taux pour la consommation de l'énergie dans le territoire, pouvez-vous nous parler de votre plan, comparativement à celui du gouvernement, si le gouvernement en a un?

M. King: Le gouvernement a souvent fait des tentatives en ce sens, mais il s'est heurté au problème dont j'ai parlé, le niveau des subventions à accorder. Il a essayé d'établir une subvention en choisissant un montant minimum d'énergie utilisé par le consommateur moyen, montant identique à celui de l'Ontario. Ce sont des suggestions que l'on a faites, mais il n'y a pas eu de résultats.

M. Smerchanski: Ai-je raison de dire qu'en ce moment le gouvernement n'a pas de système d'égalisation?

M. King: C'est juste, pour autant que je sache.

M. Smerchanski: Est-ce qu'en ce moment le gouvernement subventionne une entreprise, au lieu d'égaliser les taux dans le territoire?

M. King: D'après la Loi sur la Commission d'énergie du Nord canadien, les installations sont autonomes, et les taux appliqués à un endroit donné sont prévus en fonction du coût des services à cet endroit-là. Les taux varient donc beaucoup d'une région à l'autre.

M. Smerchanski: Monsieur le président, je suis certain que M. King connaît le rapport Carr. Pensez-vous que, étant donné les chiffres indiqués par le gouvernement relativement aux dépenses en immobilisations du développement de l'énergie dans le territoire, l'affectation s'est bien faite en ce qui concerne les dépenses en immobilisations et l'amortissement de ces usines?

M. King: Tout d'abord, nous estimons que les besoins globaux en énergie prévus dans le rapport Carr sont beaucoup plus vastes qu'il n'est nécessaire. Pour ce qui est de la répartition des frais entre les dépenses en immobilisations et l'amortissement, je ne peux pas vous donner d'opinion. Je peux vous citer des cas d'usines hydro-électriques où l'amortissement est, de toute évidence, insuffisant à

[*Texte*]

will not have any load shortly, even though it is a functioning plant now.

Mr. Smerchanski: Mr. Chairman, this is the impression I received from your Mayo plant. I cannot understand the position taken by the Northern Canada Power Commission; I do not think that we have been getting the proper information as to the cost of power development in the Yukon Territory. We were not adequately informed by the presentation we received from the federal government some time ago. I was very much interested in the witness's submission that in developing power in an area where it was at 27 cents per KWH—and I believe that was at Old Crow...

Mr. King: Yes.

Mr. Smerchanski: ...and then to have it reduced to 15 cents per KWH, suggests to me that possibly the cost of government operation versus private ownership has an advantage, in that the private plant can be operated more efficiently.

The other matter on which I would like to make an observation is that at the present time the cost of operation from a distributing office in Edmonton, which has all the facilities that are required, is far more advantageous to the power user in the Yukon Electrical Company Limited than if it were administered at Ottawa. I am under the impression that—and I certainly would want to qualify this—that we have not been informed of the true cost, or of the exact facts concerning the Northern Canada Power Commission's operation of the plants.

I would like to ask the witness one other question. You know what the cost of power is in the Coppermine River for example. This is going outside of the Yukon Territory, but you must know something about the cost or production of power there because they are using diesel fuel. Do you feel that if an office outside of Edmonton had control of this operation that it would be more efficient than if an office in Ottawa had control?

Mr. King: I would certainly say so.

• 1145

Mr. Smerchanski: You have spoken of the native staff and on-the-job training. If you employ on-the-job training, what kind of government subsidies do you get for it?

[*Interprétation*]

l'heure actuelle. A notre avis, l'usine Mayo au nord du Canada n'aura bientôt plus aucune charge, bien qu'elle fonctionne encore à l'heure actuelle.

M. Smerchanski: Monsieur le président, c'est là l'impression que j'ai eue de l'usine Mayo. Je ne comprends pas l'attitude adoptée par la Commission d'énergie du Nord canadien. Je ne pense pas que l'on nous ait donné les bons renseignements en ce qui concerne le coût du développement de l'énergie dans le territoire du Yukon. Nous n'avons pas été suffisamment informés par l'exposé que nous avons reçu du gouvernement fédéral, il y a quelque temps de cela. J'étais vivement intéressé par ce qu'a dit le témoin, à savoir qu'en développant l'énergie dans une région où elle coûtait 27 cents le kilowatt-heure ..., je crois que c'était à Old Crow ...

M. King: Oui.

M. Smerchanski: ... et en la faisant ensuite baisser à 15 cents le kilowatt-heure, l'exploitation par l'entreprise privée, car l'usine peut maintenant être exploitée de façon plus efficace.

J'aimerais aussi faire remarquer qu'à l'heure actuelle, le coût de l'exploitation qui se fait d'un bureau de distribution à Edmonton, où l'on a toutes les installations nécessaires, est beaucoup plus avantageux pour le consommateur de la *Yukon Electrical Company Limited* que la même exploitation faite d'Ottawa. J'ai l'impression, sous toute réserves, bien sûr, que l'on ne nous a pas donné les coûts exacts, ni les faits véritables, en ce qui concerne l'exploitation des usines par la Commission d'énergie du Nord canadien.

Je voudrais poser une autre question au témoin. Vous savez ce que coûte l'énergie à Coppermine River, par exemple. C'est en dehors du territoire du Yukon, mais vous devez connaître un peu le coût de la production d'énergie à cet endroit, car on y utilise du diesel. Pensez-vous que l'exploitation serait plus efficace si elle était dirigée d'un bureau en dehors d'Edmonton que si elle l'était d'un bureau situé à Ottawa?

M. King: Assurément.

M. Smerchanski: Vous avez parlé du personnel indigène et de la formation en cours d'emploi. Si vous vous servez de la formation en cours d'emploi, quelles subventions obtenez-vous du gouvernement pour cela?

[*Text*]

Mr. King: We have not claimed any as yet.

Mr. Smerchanski: Do you not receive anything from the Manpower job training scheme when you train natives?

Mr. King: If there is such a subsidy available, we have not applied for it or made use of it.

Mr. Smerchanski: Then you subsidize your own cost of job training where native people are concerned?

Mr. King: Oh, yes.

Mr. Smerchanski: In your presentation you also mention the provision of housing accommodation for native staff. Do you receive any government grants for these houses?

Mr. King: No.

Mr. Smerchanski: You assist the native population in getting housing in conjunction with your own operations?

Mr. King: We are assisting ourselves as well; by providing good housing, the worker is satisfied and prepared to stay on the job; therefore, we as well as the worker benefit. We regard it as a proper part of our costs.

Mr. Smerchanski: In terms of long-range planning for power requirements in the Yukon Territory, if you are capable enough to undertake the development of the required power in this territory, is there anything wrong with the government assisting you in some method of long-term planning? Is there any reason why it cannot do this phase of it for you?

Mr. King: We think that the planning should be co-ordinated better than it has been. If the government is going to be developing some hydro sites, for example, then the planning of that site in so far as meeting our load requirements or the Yukon's load requirements is concerned, must be co-ordinated with us on a closer basis than has been the case up until now.

Mr. Smerchanski: Do you feel that because both you and the federal government have a power interest in the Yukon Territory, that this is detrimental to firm long-range planning of the necessity of power for the Yukon Territory?

[*Interpretation*]

M. King: Nous n'en avons pas encore demandé.

M. Smerchanski: Ne recevez-vous rien du programme de formation de la main-d'œuvre lorsque vous formez des indigènes?

M. King: Non. Nous n'avons encore rien demandé.

M. Smerchanski: Ai-je raison de dire que vous subventionnez la formation du personnel indigène?

M. King: Oui.

M. Smerchanski: Vous parlez dans votre mémoire des logements que vous procurez aux personnes indigènes. Est-ce que le gouvernement vous donne des subventions pour loger ces indigènes?

M. King: Non.

M. Smerchanski: Au cours de votre exploitation vous aidez aux indigènes à se trouver des logements?

M. King: Nous sommes intéressés à faire cela aussi parce que nous voulons que les travailleurs soient satisfaits, qu'ils aient un logement convenable et qu'ils restent dans leur poste et la compagnie en profite autant que ses travailleurs. Ce fait partie de nos frais normaux.

M. Smerchanski: Dans votre planification à longue échéance des besoins énergétiques du Yukon, si vous êtes capables d'entreprendre le développement de l'énergie requise dans ce territoire, est-ce que vous vous objecterez à ce que le gouvernement vous aide pour la planification à longue échéance? Est-ce qu'il y a une raison pour laquelle le gouvernement ne pourrait pas s'occuper de cette phase pour vous?

M. King: Nous pensons que la planification doit être mieux coordonnée qu'elle ne l'a été jusqu'ici. Si le gouvernement veut développer une centrale d'hydroélectrique adaptée aux besoins du Yukon, le gouvernement doit coordonner ses opérations avez les nôtres beaucoup mieux que cela n'a été fait jusqu'ici.

M. Smerchanski: Est-ce votre avis que parce que le gouvernement fédéral a tout comme vous des intérêts dans le Yukon, pensez-vous que cela nuit à la planification à long terme pour ce qui est des besoins d'énergie pour le Yukon?

[*Texte*]

Mr. King: If our roles are clearly defined, there should not be any problem.

Mr. Smerchanski: Are your roles clearly defined now?

Mr. King: No.

Mr. Smerchanski: Thank you, Mr. Chairman.

Mr. Borrie: Mr. Chairman, I have a question to ask Mr. King. I am curious about the reference which you make in your presentation, with regard to the American trend. I am wondering why you used the American system as a guideline for making an analogy between the Yukon and a private investor corporation such as this?

Mr. King: We used it for two reasons. The first was to counter a statement in the Carr Report which stated that the trend was to government ownership on pragmatic rather than ideological grounds. Secondly, we feel that since we are dealing with an industrial situation, that the place to observe how it is being done is the United States. The Carr Report deals at length with the need for government planning and for the need of power as an instrument of government operation. We want to demonstrate, by pointing to the American practice, that first there is not a trend toward government ownership in the United States; secondly, there has not been any handicap in the planning of the American power resources in consequence of it being in investor-owned hands.

Mr. Nielsen: On a point of clarification. The Carr Report stipulated that the trend was toward government ownership on this continent. I think that is another point.

M. Borrie: However, it does not seem to be working in practice in Canada does it? We seem to be moving more and more towards the public utility aspect of electrical distribution.

Mr. King: This is true, however, what we are endeavouring to demonstrate is that this is not required to ensure that the electrical consumer is adequately supplied. We also make mention in our report of the largest power development in Canada at the present time, Churchill Falls. It is being carried out by private capital.

• 1150

Mr. Borrie: Do you not have any comparisons to make with sparsely populated areas in Canada that would be similar to the Yukon? I know that it is not in your brief.

[*Interprétation*]

M. King: Non, non pas si les rôles sont bien définis.

M. Smerchanski: Est-ce que vos rôles sont bien définis?

M. King: Non. En ce moment non.

M. Smerchanski: Merci, monsieur le président.

M. Borrie: Monsieur le président, je m'adresse à M. King. Je suis quelque peu curieux en ce qui a trait à la tendance américaine dont vous parlez dans votre mémoire. Pourquoi vous basez-vous sur le système américain pour faire une analogie entre le Yukon et une compagnie privée comme celle-ci?

M. King: Pour deux raisons. Premièrement, pour nous objecter à la déclaration contenue dans le rapport Carr qui dit que le gouvernement avait des motifs pragmatiques et non idéologiques. Deuxièmement, comme il s'agit d'un contexte industriel, les États-Unis constituent la meilleure référence. Le rapport Carr parle longuement du besoin de planification de la part du gouvernement et du besoin d'énergie électrique comme instrument des exploitations du gouvernement. Nous voulons simplement prouver, en faisant une comparaison avec la politique américaine, qu'il n'y a pas de tendance vers l'exploitation par l'État aux États-Unis et que cela n'a pas nui à la planification des ressources hydroélectriques aux États-Unis.

M. Nielsen: Une petite précision. Selon le rapport Carr, la tendance est à l'exploitation par l'État sur le continent, je crois que c'est une autre question.

M. Borrie: Cela ne semble pas la pratique au Canada. Il semble que nous progressions de plus en plus vers l'aspect utilité publique de la distribution d'énergie.

M. King: Nous voulons faire ressortir que cela n'est pas nécessaire pour assurer que le consommateur est bien servi. En ce moment le plus grand développement hydro-électrique est celui de Churchill Falls qui se fait grâce à des capitaux privés.

M. Borrie: On ne peut pas faire une comparaison avec d'autres points isolés au Canada que vous pourriez comparer avec le Yukon?

[*Text*]

Mr. King: Not really. However, if we look at northern Saskatchewan and compare it with northern Alberta, there is not any comparison as to the amount of service that the consumer in northern Alberta is getting compared to the Saskatchewan situation. Saskatchewan has recently set up a special company within its government-owned system, to extend service further than it has been heretofore in northern Saskatchewan. Where the investor-owner has been providing it the consumer has been better served. On the matter of rates, where the situations are roughly comparable our rates invariably are lower than rates from government systems.

Mr. Borrie: You also mentioned in your brief that past governments or past ministers encouraged private enterprise to develop electrical energy in the Yukon; however, in your statement you say that this does not seem to be the case now, not from statements that have been made publicly, but you seem to have some fear that the present Minister is not abiding by guidelines similar to those other ministers have used.

Mr. King: I do not want to leave a misimpression. The statement we make is that previous ministers stated that it is the policy of the government to provide an environment conducive to the investment of private capital in the North. We did not confine it to the electrical industry, but we took it to mean that we were to be encouraged.

Mr. Borrie: You do not feel that encouragement is coming from this Minister of Indian Affairs and Northern Development.

Mr. King: I think we feel, quite frankly, that we are up against a departmental approach that is not laid down anywhere where we can see it or get hold of it; that we are butting up against something we have trouble contending with. I am not suggesting where it is coming from except that we are facing it.

Mr. Borrie: I named the Minister because he is the person responsible for the Department and this could naturally go further than the Minister personally.

Mr. King: The situations that have given us concern go back to before the time of the present Minister.

Mr. Borrie: Do you have any specifics that you could point to? I have in mind the conference held at Whitehorse recently where

[*Interpretation*]

M. King: Si nous comparons le nord de la Saskatchewan avec le nord de l'Alberta, il n'y a pas de comparaison sur la somme de services que l'on fournit aux habitants du nord de l'Alberta comparativement à ceux du nord de la Saskatchewan. Une compagnie nouvelle a été formée pour fournir un meilleur service au nord de la Saskatchewan. Quand l'investisseur propriétaire a assuré le service, le consommateur a été mieux servi. En ce qui concerne les taux, dans des situations comparables, nos taux sont invariablement moins élevés que ceux que demandent les organismes gouvernementaux.

M. Borrie: Vous mentionnez aussi dans votre mémoire que les gouvernements et les ministres précédents ont encouragé l'entreprise privée à développer l'énergie électrique dans le Yukon et, cependant, dans votre déclaration, vous dites que cela ne semble pas être le cas en ce moment, pas selon les déclarations que vous avez faites en public, mais vous semblez craindre que le ministre actuel ne suive pas la même ligne de conduite que les autres ministres ont suivie.

M. King: Je ne voudrais pas vous laisser sur cette impression. Ce que nous affirmons c'est que les ministres précédents ont déclaré que c'est la politique du gouvernement d'assurer un climat qui favorise l'investissement de capitaux privés dans le Nord. Nous ne l'avons pas restreinte à l'énergie hydro-électrique, mais à notre avis, cela voulait dire que nous serions encouragés.

M. Borrie: Vous ne croyez pas que le présent ministre des Affaires Indiennes et du Développement du Nord canadien apporte de l'encouragement.

M. King: Franchement, nous croyons nous heurter à une politique du ministère qui n'est inscrite nulle part que je sache et qu'on ne peut se procurer, que nous nous heurtons à quelque chose difficilement saisissable. Je ne veux pas dire qui est responsable, mais c'est la situation à laquelle nous faisons face.

M. Borrie: J'ai nommé le Ministre, parce que c'est lui qui est chargé du ministère, et cela peut naturellement aller plus loin que le ministre lui-même.

M. King: Les situations qui nous ont fait du souci sont antérieures au mandat du ministre actuel.

M. Borrie: Est-ce que vous pourriez nous donner des exemples concrets? Je songe à la conférence tenue à Whitehorse récemment, où

[*Texte*]

there was some concern about the Minister's presentation. Did you feel from his speech that there were possible barriers or that strong consideration would be given to the extension of the NCPC?

Mr. King: Yes, that is the interpretation we placed on it.

Mr. Borrie: If I might change the subject a little, do you have special contracts with your customers such as some of the large mining corporations that are not published?

Mr. King: In Alberta, we have special contracts with large consumers but these are filed with the Utilities Board. Since there is no utilities board in the Yukon I must answer no, because there is no place to file. However, there is nothing particularly secret about them, and we would make available the same rate to the same class of service if we had two separate customers. There is nothing discriminatory in our rate application.

Mr. Borrie: No, I hope you do not think I am implying this. I know this is a general practice with electrical utilities particularly.

Mr. King: Certainly if a large customer has a particular load characteristic that a special rate can answer, then we would attempt to design such a rate to meet his needs.

Mr. Borrie: The next question is not an accusation on my part, but when we were in the Yukon I heard an accusation made that because of the interlocking companies you have, the railways system along with the electrical and probably trucking, from what I understand, your company uses one corporation's special rates to encourage or to force customers to use your other utilities. Is this correct?

Mr. King: No, this is not correct at all. First of all, I should mention that we are no

1155

longer associated in any way with the railway which you are speaking of. Second, where we have, say, gas and electric service we always endeavour to sell the service that is most suitable for the customer's application.

Mr. Borrie: Fine. There was also another statement I heard while in the Yukon, that the government should construct all the

[*Interprétation*]

l'on s'est inquiété de l'exposé fait par le Ministre? D'après son discours, est-ce que vous avez pensé qu'il existait des barrières et qu'on devrait étudier soigneusement la question de l'extension du NCPC?

M. King: C'est l'interprétation que nous lui avons donnée.

M. Borrie: Je modifie un peu le sujet. Avez-vous des contrats spéciaux avec vos clients, comme les grandes sociétés minières, qui ne sont pas publiés?

M. King: En Alberta, nous avons des contrats spéciaux avec de grands consommateurs, mais ils sont déposés à la Commission des utilités publiques. Mais comme il n'existe pas de commission des utilités publiques au Yukon, je dois répondre non à votre question, parce qu'il n'y a pas d'endroit où les inscrire. Mais, il n'y a rien de particulièrement secret là-dedans, et nous pourrions fournir le même taux pour le même genre de service, si nous avions deux consommateurs séparés. Il n'y a rien de discriminatoire dans l'application de nos taux.

M. Borrie: J'espère que vous ne pensez pas que c'est ce que je voulais laisser entendre; je sais que c'est la pratique générale des utilités hydro-électriques.

M. King: Bien sûr, si un gros client a une demande qui présente des caractéristiques particulières, nous essayons alors d'établir un taux qui pourra satisfaire à ses besoins.

M. Borrie: La question suivante n'est pas une accusation de ma part, mais lorsque nous sommes allés au Yukon, j'ai entendu des personnes dire qu'à cause des compagnies qui se compénètrent que vous avez, le réseau de chemins de fer avec celui de l'électricité, et probablement celui du camionnage, à ce qu'on me dit votre société se sert des taux spéciaux d'une corporation pour encourager ou pour forcer les clients à se servir de vos autres services.

M. King: Non, cela n'est pas juste du tout. Je dois dire en premier lieu que nous ne sommes plus associés en aucune façon à la Compagnie de chemin de fer dont vous parlez, et, en second lieu, lorsque nous fournissons les services de gaz et d'électricité, nous essayons toujours de vendre les services qui conviennent le mieux à la demande du consommateur.

M. Borrie: On a aussi dit au Yukon, lorsque nous y étions, que le gouvernement devrait construire toutes les usines génératrices coû-

[*Text*]

expensive generation plants and the free enterprise system should be responsible for the distribution at a reasonable rate to the customer. Do you abide by this type of thinking that I heard expressed in the Yukon?

Mr. King: Our brief suggests something of this kind. We point to the northwest power pool in the States of Washington, Montana, Idaho and Oregon, where co-operative arrangements are being developed to make best use of both federal development of large dams and the distributing skills of the investor-owned utilities. In our view there is a natural marriage here that can be worked out. If, say, a large dam is to be developed on the Yukon River at Five Finger then obviously there will be international implications. There will be large sums of money, and I am not saying that we would back away from those, but it could well be there would be logic in government development of that site, with ourselves acting as the transmitting and distributing agency, or some agency other than ours, but at least private capital.

Mr. Borrie: What sort of a financial role do you envisage for the partnership between free enterprise and government in this type of situation?

Mr. King: I must say each case would probably have to be examined on its own. However, if it were a large hydro dam we would propose constructing the transmission facilities and the distribution facilities to move the power to the load and distribute it at private capital cost with the federal money building the dam; if, by so doing, advantages would flow to the consumer in the form of, say, lower cost money. The Carr Report mentions the lower cost money available to government. However, this is only one component in the cost of service and it mostly comes into play in very large developments. The advantage of lower cost money diminishes with a smaller installation and other factors such as capital cost of installation and subsequent operating costs become more significant. There would be a balance point and I suggest each situation would have to be looked at on its merit.

Mr. Borrie: Yes, I appreciate that. My last question, Mr. Chairman, is this: Has your company considered or entered into any discussions with the B.C. Hydro & Power Authority for the transmission of power from

[*Interpretation*]

teuses et que le système d'entreprises privées devrait s'occuper de la distribution à un taux raisonnable pour le consommateur. Êtes-vous d'accord avec cette suggestion que j'ai entendue au Yukon?

M. King: Notre mémoire propose quelque chose du même genre et nous citons comme exemple le *Northwest Power Pool*, qui englobe le Montana, l'Idaho, etc., où l'on a des dispositions coopératives pour faire le meilleur usage possible autant de la construction de grands barrages par le gouvernement fédéral que de la compétence des services de distribution mises sur pied par des investisseurs. D'après nous, il y a un mariage naturel qui peut s'effectuer. Si par exemple on doit établir un grand barrage à Five Fingers sur la rivière Yukon, cela entraîne nécessairement des incidences internationales. De vastes sommes d'argent seront en cause, et je ne dis pas que nous reculerions devant ces montants, mais il se pourrait bien qu'il soit logique que le gouvernement développe cet emplacement et que nous agissions comme agent de transmission et de distribution, ou que ce soit un autre organisme que le nôtre, au moins à capital privé.

M. Borrie: Quelle sorte de rôle financier prévoyez-vous pour dans une association d'affaires entre la libre entreprise et le gouvernement dans une situation de ce genre.

M. King: Je dois dire que chaque cas doit être jugée d'après ses avantages et désavantages. S'il s'agissait cependant d'un barrage hydro-électrique très important, nous offririons de nous occuper de la distribution de l'énergie pour l'amener où on en a besoin, grâce à des frais de premier investissement privés les fonds de l'État servant à la construction du barrage. Le rapport Carr parle des fonds disponibles, à la portée du gouvernement, à des taux d'intérêts moins élevés. Toutefois, ce n'est qu'une des composantes du coût du service et cela n'entre en jeu que dans les grandes exploitations. L'avantage que présente l'argent à faible intérêt diminue dans le cas d'une petite installation et d'autres facteurs comme les frais de première immobilisation de l'installation et les frais d'exploitation qui s'ensuivent deviennent plus importants. Il y aurait un point d'équilibre et je crois que chaque cas devrait être étudié selon ses advantages et désavantages.

M. Borrie: Oui. Je comprends cela. Ma dernière question, monsieur le président. Est-ce que votre Société a entamé des discussions avec la Commission de l'énergie de la Colombie-Britannique pour la transmission de l'é-

[*Texte*]

British Columbia, the development of generation in British Columbia with transmission to the Yukon as well as what they would use locally?

Mr. King: No, not really. The loads involved at the present time simply do not warrant consideration of doing this. We have had discussions with B.C. Hydro & Power Authority on the moving of power from the Portage Mountain dam into northern Alberta. Even that power is not priced attractively in comparison with the present generating facilities in Alberta.

Mr. Borrie: We can export it at a much more convenient price. Thank you, Mr. Chairman.

Mr. Orange: Could Mr. King give us a little more background on the suggestions you mentioned earlier regarding the income tax rebate and the application of this rebate to establish some form of equalization in prices and rates?

Mr. King: The procedure we would propose would be—and we have suggested this now to the Commissioner of the Northwest Territories in the case of Fort Providence and Hay River—that we would compute the account of a customer in Fort Providence, a residential account, at the present rate that we charge there, and the computer would then recalculate that account at the Hay River residential rate, which is our lowest Northwest Territories rate. The difference in the two would be credited to the customer's bill and we in turn would submit a statement to the Northwest Territories government asking to be reimbursed for the rebate. This is the principle that is proposed in Alberta where very much larger sums are involved and we are dealing there with the provincial treasury.

Mr. Orange: Is the Northwest Territories government now in receipt of a rebate?

Mr. King: Yes.

Mr. Orange: Have you any idea what amount this would be?

Mr. King: In the case of the Northwest Territories it is about $10,000. In the case of the Yukon it is of the order of $167,000.

Mr. Orange: But this $10,000 involves the Hay River installation, or does it involve Yellowknife as well?

Mr. King: It involves Northland Utilities operations in the Northwest Territories which is at Hay River and Fort Providence and

[*Interprétation*]

nergie de la Colombie-Britannique au Yukon, ainsi que pour la consommation locale?

M. King: Non, pas véritablement. La somme d'énergie que l'on utilise en ce moment n'est pas suffisante pour que nous songions à cela. Nous avons discuté avec la commission de l'énergie hydroélectrique de la Colombie-Britannique sur le transport d'énergie du barrage de Portage Mountain vers le nord de l'Alberta.

M. Borrie: Vous pouvez l'exporter à un prix beaucoup plus approprié. Merci monsieur le président.

M. Orange: Monsieur le président, je me demande si Monsieur King pourrait nous donner un peu plus de détails au sujet de la suggestion qu'il a faite plus tôt, au sujet des abattements d'impôt et de leur application en vue de l'égalisation des taux et prix?

M. King: Nous proposons cette procédure-ci. Nous l'avons suggérée au commissaire des Territoires du Nord-Ouest, dans les cas de Hay River et Fort Providence. Nous avons proposé de calculer le compte du consommateur de Fort Providence, au taux actuel qu'on y charge. Ensuite, la calculatrice pourrait recalculer ce montant pour Hay River. La différence serait versée au crédit du consommateur et ensuite nous ferions une déclaration au gouvernement des Territoires du Nord-Ouest pour demander un remboursement l'abattement. C'est le principe que nous avons proposé en Alberta où les sommes sont encore beaucoup plus grosses, et ou on fait affaire avec le trésor provincial.

M. Orange: Est-ce que le gouvernement des Territoires du Nord-Ouest reçoit ce remboursement en ce moment?

M. King: Oui.

M. Orange: Pourriez-vous nous en donner le montant?

M. King: Dans le cas des Territoires du Nord-Ouest, il s'agit d'environ $10,000. Pour le Yukon, c'est environ $167,000.

M. Orange: Ces 10,000 dollars comprennent-ils l'installation de Hay River et aussi de Yellowknife?

M. King: Cela comprend toutes les installations de la *Northland Utilities* à Hay River, Fort Providence et Enterprise. Aussi ils

[*Text*]

Enterprise. They should also be in receipt of funds with respect to Plains Western Gas and Electric Company operations in Yellowknife, but I do not know that.

Mr. Orange: You do not know how much they would be receiving from them?

Mr. King: No. It should be considerably more than $10,000.

Mr. Orange: You would move to apply this principle say in the Yukon for a community such as Old Crow and others where the rates are higher.

Mr. King: Yes, we propose to equalize all residential rates on the Whitehorse rate and then over and above that there is sufficient available from the rebate to apply a general reduction to all consumers. This is simply a measure of the income tax component that has been in the electric utility bills.

Mr. Orange: Can you say if the Northern Canada Power Commission are in receipt of a similar rebate?

Mr. King: They do not pay income tax.

Mr. Orange: What percentage of your revenues is the rebate? I think it is mentioned here as 3 to 8 per cent.

Mr. King: In the case of the Northwest Territories, that is Northland Utilities Limited, it is in the order of 3 per cent of gross revenues. In the case of the Yukon it has been of the order of 8 to 10 per cent. This will vary with the tax situation of the company from year to year.

Mr. Orange: Mr. King, if the private sector were to take over other installations in areas—I guess the Northwest Territories is a major area where the Northern Canada Power Commission is operating in small areas. There are indications that the rates charged by the private utilities could be substantially cheaper. As a matter of fact, you

• 1205

refer to this in Table 11 where you show that the revenue per kilowatt hour at Fort Resolution is 11.5, but Fort Chipewyan which is 200 miles south is 8.0. While there is a difference in capacity what I am concerned with is if the private utility can operate, say in Fort Resolution, much cheaper than the public utility, and at the same time the private utility is in the position of having an income tax rebate from its total operation, total revenues, which would further reduce this cost. Can you say that apart from possibly some of the Arctic areas where costs are high, this would be a general approach in terms of the

[*Interpretation*]

devraient recevoir des remboursements pour les installations de la *Plains Western Gas and Electric Company* à Yellowknife. Je ne savais pas cela.

M. Orange: Vous ne connaissez pas le montant?

M. King: Non, c'est beaucoup plus que $10,000, je pense.

M. Orange: Alors, vous aimeriez appliquer ce principe au Yukon pour des endroits tel que Old Crow où les taux sont plus élevés?

M. King: Oui, nous voudrions fonder tous les taux sur les taux de Whitehorse, et nous voulons appliquer une réduction générale, avec le surplus, à tous les consommateurs de la région, en sus de cela. C'est simplement une mesure de l'élément impôt des comptes d'électricité.

M. Orange: Pourriez-vous nous dire si la *Northern Canada Power Commission* reçoit un abattement semblable?

M. King: Elle ne paie pas d'impôt sur le revenu.

M. Orange: Quel est le pourcentage de vos revenus qui font partie du remboursement? On mentionne ici de 3 à 8 p. 100.

M. King: Dans le cas des Territoires du Nord-Ouest, il s'agit là de la Société Northland Utilities Ltd., c'est environ 3 p. cent du revenu total. Dans le cas du Yukon c'est environ 8 à 10 p. 100. Cela varie d'après les impôts que paie la Société d'une année à l'autre.

M. Orange: Monsieur King, si le secteur privé devait reprendre d'autres installations, je pense que les Territoires du Nord-Ouest, est une région importante où la Commission est en exploitation dans des petites communautés, j'ai l'impression que les taux demandés par le secteur privé seraient en fait moins élevés. Vous avez mentionné cela au tableau 11. Vous indiquez que les revenus par kilowatt-heure à Fort Resolution sont 11.5. Mais à Fort Chipewyan qui est situé à 200 milles plus au sud, les revenus sont de 8 cents, tandis que la capacité est plus élevée. Ce qui me préoccupe c'est que si un système de distribution privé peut fonctionner à Fort Resolution encore moins cher qu'un service publique, et si le service de distribution privé est en mesure d'avoir un abattement fiscal qui réduirait encore ce coût, pouvez-vous dire qu'en dehors de certaines régions de l'Arctique où les taux sont élevés, ceci serait l'optique générale pour le fonctionnement d'un

[*Texte*]

operation of a private utility? In other words, would the rates for private utilities generally be lower than the Northern Canada Power Commission?

Mr. King: We are confident that they will be, and that this tax rebate will improve the situation further.

Mr. Orange: May I ask you why?

Mr. King: In one of the tables we have here we indicate our capital costs per kilowatt installed in these small plants, and I would suggest that through the flexibility of our operation we are able to make these installations at less cost even though we have to pay somewhat more for the money. That disadvantage is overcome by the lower per unit cost of investment.

Tables 7 and 8 point out what we are saying. With one or two exceptions our cost of investment in these little settlements on a per kilowatt basis, as shown in the last column in each table, is lower than that of the Northern Canada Power Commission for approximately the same size of plant. Secondly, we are perhaps more flexible in our arrangements with local operating staff. We build our plants to operate on a semi-attended basis, and we then retain only sufficient staff to look after them part time. If they get into trouble we have a capacity available to switch over to another unit, but we do not have to staff these plants on a 24-hour basis. Generally speaking the N.C.P.C. plants are staffed more heavily than ours, as a result.

Mr. Orange: Again, if I may just continue to use the reference to Fort Resolution, I understand the Northern Canada Power Commission have either four or six full-time employees in this plant, and obviously the cost is reflected in the rate charged to the consumer in more ways than one. If I may use an example of that, the last time I checked the Hudson's Bay lighting bill it was something in the vicinity of $600 a month, which again is charged back to the consumer in the community. Would you, knowing the capacity or the size or the potential for Fort Resolution, have a semi-automated plant in that community?

Mr. King: Yes, I think Fort Chipewyan is a fair comparison with Fort Resolution, sizewise. You will notice in Table 11 that they are about the same size. One has a capacity of 325 kilowatts and the other is 375. The output that we have is higher than at Fort Resolution, but this may be because of the rate

[*Interprétation*]

réseau de distribution privé? Donc en d'autres mots, est-ce que le tarif serait donc généralement moins élevé pour les services privés que celui fixé par la Commission?

M. King: En ce qui concerne l'abattement fiscal, nous sommes persuadés que cela améliorerait la situation.

M. Orange: Puis-je vous demander pourquoi?

M. King: D'après les tableaux que nous avons ici, nous indiquons nos coûts par kilowatts-installés. Par la souplesse de nos installations, nous pouvons faire toutes ces installations à un coût plus bas, car nous n'avons pas à nous soucier du capital à investir. Ce dernier est compensé par le coût d'investissement par unité. Les tableaux 7 et 8 indiquent cela. Avec une exception ou deux, notre coût par kilowatts, de ces petits établissements tel qu'il figure dans la dernière colonne, est plus bas que les coûts publiés par la Northern Canada Power Commission pour des installations de la même dimension. Deuxièmement, nous sommes peut-être plus souples dans nos dispositions avec le personnel d'exploitation locale. Nous construisons nos usines pour qu'elles fonctionnent sur une base d'emplois à temps partiel. S'il y a des difficultés, nous avons la possibilité de transférer à une autre unité, mais nous n'avons pas besoin de personnel sur une base de 24 heures. Tandis que les usines de la Commission ont un personnel plus important.

M. Orange: En me référant toujours à Fort Resolution, je pense que la Commission a 4 ou 6 employés permanents dans cet usine et naturellement ce coût se reflète dans le taux chargé aux consommateurs. Pour vous donner un exemple, la dernière fois que j'ai vérifié le taux de la Hudson Bay, c'était de 600 dollars par mois. Est-ce que vous ne pourriez avoir une usine semi-automatisée à Fort Resolution?

M. King: Oui, je pense que la centrale de Fort Chipewyan se compare à celle de Fort Résolution. La première a une capacité de 325 kilowatts et la seconde de 375. kilowatts. La production est supérieure à Fort Résolution, mais ceci peut-être dû à la différence de taux. Nous avons une personne à plein temps pour

[*Text*]

difference. We have one full-time man and we supervise the plant from Hay River on a visit basis two or three times a month. Most of the time the plant is running unattended.

Mr. Smerchanski: Do you own the Fort Chipewyan plant?

• 1210

Mr. King: Yes. As listed in Table 11, we own all the plants except the first one, the Fort Resolution plant. We have prepared this table to demonstrate that the revenue per kilowatt hour is still lower even though the fuel costs are comparable with Fort Resolution, and fuel is one of the major items of expense in operating one of these little plants.

Mr. Orange: Have you ever taken a look at the potential cost of operating in the Arctic, like a Coppermine or Cambridge Bay?

Mr. King: No, we have not, Mr. Orange. The only place we operate in the Arctic, as I mentioned, is at Old Crow. We would be willing to take a look at it. We have one advantage in that with an Alberta operation we have there a source of skilled people. In our experience it is difficult to get staff to go into the more remote areas unless we can hold out the promise that it is not a lifetime posting. Therefore, we feel we can get good people who are willing to move into these areas for five or 10 years, particularly the younger chaps who really enjoy it, but family responsibilities and other things cause them to want to leave when schooling becomes a major factor. We do have an advantage here in having this staff available.

Mr. Orange: You indicated earlier, I believe, that there is a lack of consultation and communication with the other major utility in the north, Northern Canada Power Commission. Have there ever been consultations discussions on long term planning in this area?

Mr. King: Nothing like as much as we feel should be done. We have had conversations, after a fashion, but decisions are made that we hear about only through the newspapers or by word of mouth later on. An example of this is the installation of the two large diesel units at Whitehorse to meet the Anvil requirement: it was apparently decided and the units were on order before we knew of them. Yet this is a service area in which we are vitally interested. We think there may

[*Interpretation*]

faire la surveillance et qui vient de Hay River deux ou trois fois par mois. La grande partie du temps, l'usine fonctionne automatiquement.

M. Smerchanski: Êtes-vous propriétaire de la centrale de Fort Chipewyan?

M. King: Oui, au tableau 11, vous verrez que nous sommes propriétaires de toutes les installations sauf celle de Fort Resolution. Nous avons préparé ce tableau pour montrer que le revenu par kilowatt-heure est plus bas même si le coût de carburant est équivalent avec celui de Fort Resolution. Et le carburant est la dépense la plus importante de ces petites centrales.

M. Orange: Avez-vous examiné le coût potentiel d'exploitation à Cambridge Bay ou Coppermine?

M. King: Non, nous n'en avons pas. Le seul endroit où nous sommes dans l'arctique, c'est à Old Crow, comme je l'ai dit. Nous serions prêts à examiner la question néanmoins. Le seul avantage d'une exploitation en Alberta c'est que nous avons-là un personnel spécialisé. D'après notre expérience, il est difficile d'obtenir du personnel pour les régions plus éloignées, à moins que vous ne puissiez promettre que ce n'est pas pour la vie. Toutefois, nous pensons que nous pouvons avoir un excellent personnel qui est tout à fait disposé à aller dans ces régions pour 5 ou 10 ans, surtout les jeunes (ils aiment bien cela) mais certaines responsabilités familiales, entre autres, exigent qu'ils quittent la place, surtout lorsque le problème scolaire se pose au sujet des enfants. C'est pour nous un avantage d'avoir là tout un personnel disponible.

M. Orange: Vous avez indiqué, plus tôt, qu'il y a une absence de consultation et de communication entre les principaux services dans le Nord à la Commission de l'Énergie du Nord canadien.

Y a-t-il eu des consultations pour discuter de planification à long terme dans cette région?

M. King: Non, pas tant qu'on aurait dû le faire. Nous avons eu certaines conversations mais des décisions sont prises dont nous entendons parler seulement par les journaux, ou encore, un mois plus tard, par exemple, l'installation de deux importantes unités «diesel» à Whitehorse pour répondre aux besoins d'Anvil. Cela a été décidé sans que nous soyons mis au courant. C'est pourtant une région à servir qui nous intéresse d'une façon vitale. Il y aurait certainement eu des

[*Texte*]

have been alternatives that would have been less costly, but there was no exchange of views on it.

An hon. Member: No consultation whatsoever?

Mr. King: None at all, until the units were on order. We heard of it by chance through a salesman who happened to mention it.

Mr. Orange: Mr. Chairman, of course, this is absolute madness that this kind of situation would exist.

You indicated in your brief, Mr. King, that you had approached the Yukon territorial government on more than one occasion to supply power, once in Dawson, once in Anvil, and the territorial government turned down this request.

At what level was the approach made? Was it made to the Commissioner? Was this brought to the attention of the Yukon Council?

Mr. Choate: We spoke to Council, because the original paper tabled to the territorial Council regarding the Anvil Agreement stated that the matter of water, sewer and utilities in the townsite would be the responsibility of the territorial government. So, we went to Council and suggested that they hear a

• 1215

presentation from both ourselves and the Northern Canada Power Commission and then the decision as to who would supply power in the townsite would be based on who would give the best service at the lowest cost to the ultimate consumer. We were not given this privilege. The Commissioner replied saying that it was deemed in the best interest that Northern Canada Power Commission would serve because they were supplying power at cost and this was being passed along to the consumer.

Mr. Orange: But there was no attempt made to determine what your rates might be?

Mr. Choate: We quoted rates to the territorial Council, yes.

Mr. Orange: How did they compare with those of NCPC?

Mr. Choate: NCPC has not, to my knowledge, posted any rates that will be applicable in the Anvil townsite.

Mr. Orange: In the case of Dawson, was it much the same? What was the situation with respect to Dawson?

[*Interprétation*]

possibilités qui auraient été moins coûteuses. Mais, il n'y a eu aucun échanges de vues à ce sujet.

Une voix: Aucune consultation d'aucune sorte?

M. King: Aucune, avant que les unités n'aient été commandées. Nous en avons entendu parler tout à fait par hasard par un représentant.

M. Orange: Monsieur le président, c'est une vraie folie qu'une telle situation puisse exister.

Vous avez indiqué dans votre mémoire, monsieur King, que vous aviez approché le gouvernement territorial du Yukon plus d'une fois pour obtenir le droit de fournir l'énergie nécessaire à Dawson et à Anvil et que le gouvernement avait refusé cette demande.

A quel palier gouvernemental vous êtes-vous adressé? Était-ce au Commissaire? Est-ce qu'on a attiré l'attention du Conseil du Yukon à ce sujet?

M. Choate: Nous avons parlé au Conseil, parce que le document original qui avait été envoyé au Conseil du Yukon au sujet de l'entente sur Anvil précisait que les services d'eau, d'égouts et autres installations sanitaires relevaient du gouvernement territorial aussi nous nous sommes adressés au Conseil et nous avons suggéré qu'ils entendent notre exposé sur la question ainsi que celui de la Commission de l'énergie du Nord canadien. La décision en faveur de l'un ou de l'autre serait prise en tenant compte de qui pourrait fournir le meilleur service au meilleur prix au consommateur éventuel. Ce privilège ne nous a pas été accordé. Le Commissaire a répondu en disant qu'il était dans le meilleur intérêt public que la Commission d'énergie du Nord canadien soit choisie car ils fournissaient l'énergie au prix coûtant au consommateur.

M. Orange: Mais on n'a pas essayé de savoir quels seraient vos taux?

M. Choate: Oui, nous avons donné ces taux au Conseil territorial.

M. Orange: Comment se comparaient-ils avec ceux de la Commission?

M. Choate: A ma connaissance ils n'ont pas précisé les taux applicables dans la région d'Anvil.

M. Orange: En ce qui concerne Dawson, est-ce que c'était pareil? Quelle était la situation pour Dawson?

[*Text*]

Mr. Choate: In Dawson we submitted our proposal to the Commissioner of the Yukon Territory and also to the Deputy Minister of Northern Affairs, and again we were told that it had been decided it was in the best interests of the people of Dawson that the Northern Canada Power Commission would supply the area and also operate the water system.

We also offered to operate the water system to the territorial government's account, which is what the NCPC is doing now. We also suggested to the City of Dawson, since they are a municipality, that they ask both groups to submit proposals so that they could decide on the basis of those proposals which one they wanted as their electric utility.

Mr. Orange: Has anyone ever defined for you what the best interests of the people are?

Mr. Choate: Not to my knowledge.

Mr. Orange: I think this is pretty important, Mr. Chairman. In the case of Dawson, obviously you put together a proposal based on costs on what rates would be charged to the people in Dawson. How do the rates which are in effect now compare might what you proposed?

Mr. Choate: The rates which we proposed would have been approximately 20 per cent lower than what they are paying now. This was based on the assumption that we had to meet all our federal, territorial and municipal taxes, so that there would have been a rate reduction with the federal income tax rebate.

Mr. Orange: Would this include the operation of the water system as well?

Mr. Choate: We said we would operate it to the account of the territorial government. We did not quote any rates for it. We said we would provide them with waste heat from the diesel plant to keep water from freezing. We did not go into the economics of it as we felt the capital end of it would be better handled by the territorial government, because they are in the water business at Mayo and Porter Creek in the Yukon.

• 1220

Mr. Orange: You have talked about a price of $1.38 to Old Crow for oil. Do you have to fly all your oil into Old Crow?

[*Interpretation*]

M. Choate: A Dawson, nous avons fait la proposition au Commissaire du Territoire du Yukon ainsi qu'au sous-ministre des Affaires du Nord, et là encore on nous a dit que c'était dans le meilleur intérêt des gens de Dawson que ce soit la Commission de l'énergie du Nord canadien qui fournisse l'énergie et l'approvisionnement en eau.

Nous avions aussi offert de fournir l'eau pour le compte du gouvernement territorial, et c'est ce que fait, en ce moment, la Commission de l'énergie du Nord canadien. Nous avions aussi proposé à la ville de Dawson qui depuis est devenue une municipalité de demander aux deux groupes de présenter des soumissions afin de décider sur la base de ces offres qui des deux serait chargé de les approvisionner en énergie électrique.

M. Orange: Est-ce qu'on vous a expliqué en quoi consistaient les meilleurs intérêts du public?

M. Choate: Pas à ma connaissance.

M. Orange: Je crois que c'est une question très importante. Dans le cas de Dawson, vous avez apparemment établi une proposition fondée sur les coûts et sur les taux qui seraient payés par les habitants de Dawson. Comment les tarifs qui sont payés maintenant se comparent-ils avec ceux que vous proposiez?

M. Choate: Les tarifs que nous avions proposés auraient été environ de 20% inférieurs à ceux qui sont payés actuellement. Nous avions fixé nos prix en tenant compte des impôts que nous aurions à verser au palier fédéral, territorial et municipal aussi il y avait eu une réduction supplémentaire en tenant compte de l'abatement d'impôt qui aurait pu nous être accordé au niveau fédéral.

M. Orange: Ets-ce que cela comprenait aussi les services d'eau?

M. Choate: Nous avions dit que nous pourrions assurer ces services pour le compte du gouvernement territorial. Nous n'avions pas fixé de taux. Nous avions dit que nous pourrions nous servir de la chaleur non utilisée fournie par l'usine électrique pour empêcher l'eau de geler. Nous n'avons pas abordé le côté économique de la question, car en fin de compte cela relève du gouvernement territorial qui est au courant puisqu'il s'en occupe à Mayo et à Porter Creek dans le Yukon.

M. Orange: Vous avez parlé d'un prix $1.38 pour l'huile à Old Crow? Deviez-vous transporter toute votre huile par air?

[*Texte*]

Mr. Choate: Unfortunately, this year we have had to do that. We got one load up the Porcupine River from Dawson and then the level dropped to the point where the boat could not make a second trip, so that we were faced with the alternative of flying oil from Dawson City to Old Crow or from Inuvik. It turned out that the cheapest method was to fly from Inuvik to Old Crow. This is costing us approximately $1.38 per gallon.

Mr. Orange: What would your normal cost of oil be?

Mr. Choate: About 70 to 74 cents a gallon.

Mr. Orange: For this particular year are you absorbing this loss?

Mr. Choate: Yes. There will be no adjustment in rates whatsoever in Old Crow attributable to this additional cost to us.

Mr. Orange: I would like to direct this question to Mr. King. Does it appear to you as a private company that the public utility in the north, the Northern Canada Power Commission, would like to take over all of the installations which are now operated by the private sector?

Mr. King: It is a difficult question to answer, Mr. Orange. If Northern Canada Power Commission is given the authority to take over some part of our system, say the most lucrative part, then we feel they would have to have the obligation of taking it all.

It would be a hopeless situation for us for, say, Whitehorse to be taken under their wing and ourselves left with Swift River, Pelly Crossing, Beaver Creek and so on.

There has not been any display by NCPC to take over or move in on these little remote settlements. Our difficulty arises where there are large loads, such as Pine Point and Anvil, where we simply do not seem to be able to get inside the door to talk about it.

Mr. Orange: Have you seen some of the studies which have been commissioned by the Northern Canada Power Commission in respect of power potential in other parts of the north?

Mr. King: I have seen the Ingledow Report for the Yukon, and this morning for the first time I saw the Ingledow Report for the Northwest Territories. I have not really had a chance to read it.

[*Interprétation*]

M. Choate: Cette année-là malheureusement nous avons dû le faire. Nous avons eu un chargement par bateau de Dawson, par la rivière Porcupine, mais ensuite le niveau de l'eau a tellement baissé que le bateau n'a pu faire un second voyage. Il ne nous restait plus qu'à transporter l'huile par avion de Dawson City à Old Crow ou d'Innuvik à Old Crow. Le plus économique c'était cette dernière solution qui nous revenait à $1.38 approximativement le gallon.

M. Orange: Quel est votre prix normal pour l'huile?

M. Choate: $70 ou $74 le gallon environ.

M. Orange: Pour cette année-là en particulier, est-ce que vous prenez cette perte à votre compte?

M. Choate: Oui. Il n'y aura pas de relèvements dans les tarifs à Old Crow du fait de cette dépense supplémentaire pour nous.

M. Orange: Encore une question, monsieur King. Pensez-vous en tant que compagnie privée que la Commission d'énergie du Nord canadien voudrait reprendre toutes les installations qui sont maintenant exploitées par le secteur privé?

M. King: Il est difficile de répondre à cette question, Monsieur Orange, si la Commission d'énergie du Nord canadien peut reprendre une partie de notre réseau, disons la partie la plus lucrative, nous estimons alors qu'elle devrait reprendre le tout.

Ce serait une situation absolument sans espoir, pour nous, si on nous enlevait, par exemple, Whitehorse et qu'on nous laisse Beaver Creek, Swift River, Pelly Crossing et autres endroits semblables. La CCN n'a pas indiqué son intention de reprendre ces petites communautés éloignées. Elle ne s'intéresse qu'aux endroits où les services sont importants comme à Pine Point et à Anuif dont l'accès nous est interdit sans que l'on nous dise pourquoi.

M. Orange: Vous avez eu connaissance de certaines des études qui ont été faites par la CCN concernant l'énergie, le potentiel d'énergie dans les autres parties du Nord?

M. King: J'ai vu le *rapport Ingledow* pour le Yukon et ce matin pour la première fois, j'ai vu le *rapport Ingledow* pour les Territoires du Nord-Est, mais je n'ai pas encore eu le temps de le lire.

[*Text*]

Mr. Orange: During the preparation of these reports was there any attempt to consult with people like yourself?

Mr. King: Yes, the Ingledow engineers came and talked to us about our borrowing them before they knew of it.

Mr. Orange: Mr. Chairman, I think that is all I have to say for the moment except to make the comment that this whole situation is rather incredulous when we consider that one of the basics of life in the North is power supply, which is tremendously expensive to anybody living there, or to private enterprise in the area, that there seems to be a possibility of having power rates reduced through various and devious means. I am frankly upset by the obvious lack of consultation and communication between the two major organizations up there and I am laying this directly at the feet of the government agency who, I think, must give leadership in this area.

I would like to think that we, as a Committee, will not just hear witnesses but think in terms of how we are going to get these costs down. Believe me, when I think of Fort Resolution and while I hold no brief for the Hudson's Bay Company the cost of just heating their store and their warehouses, which is passed on to the consumer, I think this is something that has to be looked at. At the moment it seems to me there are ways and means of getting power reduced in the North. I have no brief about whether it is done privately or publicly at this stage, it is just a question of getting the cost down. I hope we can continue to urge the government to find some means of bringing the cost of power down in northern Canada. At the moment the Northern Canada Power Commission does not seem to be the agency.

The Chairman: Thank you, Mr. Orange.

Mr. Deakon: I just want to carry on further with what Mr. Orange has asked the witness. Who told you that this is in the best interests of the people? Where did you get this from? Who told you that?

Mr. Choate: The letters were under the signature of Mr. Côté, Mr. Smith the Commissioner, and Mr. Laing.

Mr. Deakon: Have you any idea who made the decision, whether it was just these individuals or whether it was a body of people?

[*Interpretation*]

M. Orange: Au cours de la préparation de ces rapports, est-ce qu'il y a des consultations avec des gens comme vous?

M. King: Oui, les ingénieurs d'Ingledow sont venus nous offrir leurs services avant même d'être officiellement au courant du projet.

M. Orange: C'est tout ce que j'ai à dire pour l'instant, monsieur le président. J'aimerais simplement ajouter, en guise de commentaire, que cette situation est assez incroyable lorsque l'on sait que l'électricité est l'un des éléments de base de la vie dans le Nord, et qu'il est très cher pour les gens qui vivent dans cette région comme pour les industries privées de la région, il me semble qu'il serait possible de réduire les taux de l'électricité par différents moyens. Je suis très inquiet de l'absence de consultation et de communication entre les deux principales organisations de la région, et je le dis surtout à l'intention de l'organisme gouvernemental qui, je pense, doit faire preuve d'initiative dans ce domaine.

Je voudrais, en tant que comité, que nous ne nous contentions pas d'entendre des témoins, mais nous préoccuper de trouver moyen de faire baisser ces tarifs. Lorsque je vois qu'à Fort Resolute même si je n'ai pas l'état des frais de la Compagnie de la Baie d'Hudson, les frais pour chauffer leurs locaux sont imputés aux clients, je crois qu'il faut faire quelque chose. Il me semble qu'à l'heure actuelle il y a des moyens de réduire le coût de l'électricité dans le Nord. Je ne sais pas s'il faut le faire par des moyens privés ou publics, mais il s'agit surtout de réduire les coûts. J'espère que nous pourrons continuer à insister auprès du gouvernement pour qu'il trouve moyen de réduire le tarif d'électricité dans le Nord du Canada. Il ne me semble pas, à l'heure actuelle, que la Commission d'énergie du Nord Canadien soit l'organisme voulu.

Le président: Merci, monsieur Orange.

M. Deacon: Pour poursuivre ce que M. Orange demandait aux témoins, qui vous a dit que cela est dans le meilleur intérêt du public? Qui vous a dit cela?

M. Choate: Les lettres étaient signées par M. Côté, M. Smith, le Commissaire, et M. Laing.

M. Deakon: Avez-vous une idée qui a pris la décision? Est-ce un individu ou un organisme?

[*Texte*]

Mr. Choate: I do not think I could say. We have strong opinions on where these decisions are made.

Mr. Deakon: Would you not say that the best interests of the people would be the cheapest and the most economical cost of fuel they can obtain?

Mr. Choate: Right.

Mr. Deakon: Could you give us any reasons why they would say this was in the best interests of the people if you say that you can forward power to the people for 20 per cent less than they can? Why would they come up with a statement such as that?

Mr. King: I do not think we can answer you, sir.

Mr. Deakon: That is incredible.

Mr. Borrie: Mr. Chairman, might I have a supplementary and ask the positions of Mr. Cote and Mr. Laing? Was that the former Minister of Northern Affairs?

Mr. Choate: Mr. Cote was then Chairman of NCPC and Deputy Minister of Northern Affairs, and Mr. Laing was the Minister.

Mr. Borrie: Thank you.

Mr. Deakon: I have one further question, Mr. Chairman, if I may. Am I correct in saying that the largest capital expenditures for this supply of electrical power are provided by the government agencies?

• 1225

Mr. King: Yes, this would be correct in the Yukon.

Mr. Deakon: What about the Northwest Territories?

Mr. King: I think it might be there as well.

Mr. Deakon: What are the capital expenditures which you supply? Do you supply transmission lines only or what do you supply?

Mr. King: I think if there was a load such as a large smelter or something like this we would certainly be interested in discussing with the government the possibility of constructing the entire project. It is a matter of whether the large hydro plant can be built at the same time as a load that makes it economically feasible to build that plant can be developed. Or, the power can be transmitted to the South and either used in the prov-

[*Interprétation*]

M. Choate: Je ne pense pas que je puisse vous le dire. Nous avons des opinions très nettes en ce qui concerne ceux qui ont pris ces décisions.

M. Deakon: Vous ne pensez pas que le meilleur intérêt de la population serait d'obtenir un combustible le plus économiquement possible?

M. Choate: Oui.

M. Deakon: Pouvez-vous nous donner des raisons pour lesquelles ils vous diraient que le meilleur intérêt de la population serait de lui fournir de l'électricité à un taux moins élevé qu'ils ne le peuvent? Pourquoi iraient-ils faire une déclaration de ce genre?

M. King: Je ne pense pas que nous puissions répondre.

M. Deakon: C'est incroyable.

M. Borrie: Monsieur le président, puis-je poser une question supplémentaire et demander à M. Côté et à M. Laing quelle est leur attitude? Est-ce qu'il s'agissait de l'ancien ministre du Nord Canadien?

M. Choate: M. Côté était président du CENC et sous-ministre du Nord canadien et M. Laing était ministre.

M. Borrie: Merci.

M. Deakon: Une autre question. Est-ce que j'ai raison de dire que les immobilisations pour la production de l'électricité sont en grande partie fournies par les organismes gouvernementaux?

M. King: Oui, c'est exact pour le Yukon.

M. Deakon: Et dans les territoires du Nord-Ouest?

M. King: Je crois que c'est la même situation.

M. Deakon: Et quelles sont les immobilisations que vous fournissez? Seulement les lignes de transmission ou quoi?

M. King: Je crois que s'il y avait un lourd fardeau, comme une grande fonderie ou quelque chose du genre nous serions intéressés à discuter avec le gouvernement la possibilité de construire tout le projet. Il s'agit de savoir si l'on peut construire la centrale hydro-électrique en même temps que ce fardeau qui la rendrait rentable? Par ailleurs, on peut transmettre l'énergie avec le Sud et soit l'utiliser dans les provinces ou l'exporter aux États-

[*Text*]

inces or exported to the United States. As we point out in our brief, we think it will be a while before British Columbia's system develops to the point where it is economically feasible to interconnect with the Yukon.

Mr. Deakon: What I am trying to do is put two and two together. I feel here that perhaps when they speak of the best interests of the people, perhaps they consider the over-all picture where public funds are being utilized for the initial capital expenditures which you people do not have to invoke. As a result, when you take it over a longer period of time perhaps it may be in the best interests of the public beacause they eventually will get cheaper power; whereas you initially can give cheaper power because your capital expenditure is not as high. I am trying to rationalize this reason and why this happened. I assume everyone dealing with this matter is an intelligent person and I cannot understand why they would make a statement such as that when you tell us here that you can do it for 20 per cent less.

Mr. Nielsen: Mr. Chairman...

The Chairman: Excuse me, Mr. Dinsdale has a question.

Mr. Nielsen: Before Mr. Dinsdale speaks, I might just invite Mr. Deakon to consider a possible answer to his question in that a commission originally set up to perform a specific function, such as NCPC, finding itself no longer able to do so and with private capital being able to do much better, wishes to continue in existence when it is no longer justified to do so.

Mr. Smerchanski: At government expense?

Mr. Nielsen: At the people's expense really.

Mr. Smerchanski: Why? My supplementary is why? Why this type of attitude?

Mr. Nielsen: I agree with you.

The Chairman: Who is the witness? Mr. Dinsdale.

Mr. Dinsdale: Mr. Chairman, the role of the Yukon Electrical Company Limited has been an important one and it has always been my impression that they enjoyed a very excellent relationship with the people of the Yukon Territory from the standpoint of service and cost of service and so forth. Has there been any deterioration in recent years in the relationship between the Company and the people that might have caused this change in atmos-

[*Interpretation*]

Unis. Comme nous l'indiquons dans notre mémoire, nous pensons qu'il faudrait un certain temps avant que le système de la Colombie-Britannique soit suffisamment développé pour le connecter à celui du Yukon.

M. Deakon: J'essaie simplement de colléger les faits. Quand on parle du meilleur intérêt du public, peut être que l'on tient compte de l'ensemble de la situation où on utilise des fonds publics pour les premières immobilisations que vous n'êtes pas obligés de compter. Il s'ensuit que sur une période de temps plus longue, il est peut-être dans l'intérêt du public parce que l'électricité sera moins cher. Tandis qu'au début l'électricité est moins cher parce que vos immobilisations sont moins élevées. J'essaie de comprendre pourquoi cela s'est passé. Je suppose au départ que chaque personne qui se penche sur cette question est intelligente et je ne comprends par pourquoi on ferait une telle déclaration alors que vous dites que vous pouvez offrir des tarifs à 20 p. 100 inférieurs.

M. Nielsen: Monsieur le président...

Le président: Je m'excuse mais M. Dinsdale désire poser une question.

M. Nielsen: Avant de céder la parole à M. Dinsdale je voudrais demander à M. Deakon si la réponse à sa question ne serait pas qu'on avait d'abord mis sur pied une commission qui devait remplir une fonction spéciale, comme la CENC qui n'est plus en mesure de le faire et comme les intérêts privés peuvent faire beaucoup mieux, ils désirent maintenir ce qui n'est plus justifié.

M. Smerchanski: Aux frais du gouvernement?

M. Nielsen: Aux frais du peuple en réalité.

M. Smerchanski: Pourquoi? Voilà ma question supplémentaire. Pourquoi prendre cette attitude?

M. Nielsen: Je suis d'accord avec vous.

Le président: Qui est le témoin? M. Dinsdale.

M. Dinsdale: Monsieur le président, le rôle de la compagnie d'électricité du Yukon a été important et j'ai toujours eu l'impression que cette compagnie avait d'excellents rapports avec les gens du territoire du Yukon en ce qui concerne le service, les coûts du service, etc. Est-ce qu'il y a eu une détérioration au cours des dernières années en ce qui concerne les rapports entre la compagnie et les gens qui a pu causer ce changement d'atmosphère

[*Texte*]

phere or in mood? Are you receiving complaints?

Mr. King: We certainly do not think so, Mr. Dinsdale. We have an excellent press there and we are well received wherever we extend our service. There is always the occasional sniping from a councillor, but this has not increased in intensity.

Mr. Dinsdale: I notice, we were supplied...

Mr. King: We have a couple of newspaper editorials here, one of which said we were the best thing to happen to the Yukon since the introduction of O. P. rum.

Mr. Dinsdale: Well, as a teetotaller, I will not make any comment on that. We have had those press clippings supplied to us. Is that a recent editorial comment?

• 1230

Mr. King: No, not that recent, it would be at the time we made our last rate reduction in Watson Lake in 1965. There is a recent one included here, just within the last month.

Mr. Dinsdale: Tell me, is the cost of rum going down too?

Mr. King: Not the way our power is going down in price.

Mr. Dinsdale: So the simile does not quite meet on all fours. Recent commissioners in the Territory have been appointed from among residents within the Yukon Territory. How are your relationships with these commissioners, because they do have a very important role to play in general policy in the Yukon Territory?

Mr. King: That is a rather difficult question to answer, sir. I think our relationship has been quite satisfactory with Mr. Smith. We got along very well with Mr. Cameron, of course, as everyone did.

Mr. Dinsdale: There seems to be a changing emphasis of the role of private capital in the Yukon Territory. The difficulty has been encouraging private investment in the North. Perhaps you cannot answer this question because you cannot speak for the Commissioner, but would not the commissioners appointed from among the residents of the Territory be in sympathy with the viewpoint

[*Interprétation*]

ou de climat? Est-ce que vous recevez des plaintes?

M. King: Nous ne le pensons pas, M. Dinsdale. La presse nous est très favorable et on nous réserve un très bon accueil dans les endroits où nous fournissons des services. Il y a bien de temps en temps quelques petites remarques de la part d'un conseiller, mais ce genre de chose ne s'est jamais vraiment accru.

M. Dinsdale: J'ai remarqué qu'on nous a fourni ...

M. King: Voici quelques articles de fond tirés des journaux; dans l'un de ces articles on dit que c'était ce qui était arrivé de mieux au Yukon depuis l'introduction du rum O.P.

M. Dinsdale: En tant qu'abstinent, je ne ferai pas de commentaire. Nous avons reçu ces découpures de journaux. Est-ce que c'est un article récent?

M. King: Non, ce n'est pas tellement récent, il date à peu près du moment où nous avons fait la dernière réduction des tarifs à Watson Lake en 1965. Il y en a un assez récent, publié depuis à peine un mois.

M. Dinsdale: Dites-moi. Est-ce que le prix du rum diminue aussi?

M. King: Pas au même rythme que le tarif de l'électricité.

M. Dinsdale: Par conséquent, la comparaison ne s'applique plus complètement. Ces derniers temps, les commissaires des territoires du Nord Ouest ont été nommé parmi les résidents du Yukon. Quels sont vos rapports avec ces commissaires, parce qu'ils ont un rôle très important à jouer dans la détermination de la politique générale pour le Yukon?

M. King: C'est une question à laquelle il est assez difficile de répondre. Je pense que nos rapports avec monsieur Smith ont été assez satisfaisants. Nous nous sommes très bien entendus avec Monsieur Cameron, comme tout le monde d'ailleurs.

M. Dinsdale: Il semble que l'emphase accordée au rôle du capital privé dans le territoire du Yukon change. La difficulté a encouragé l'investissement privé dans le Nord. Vous ne pouvez peut-être pas répondre parce que vous ne pouvez pas parler au nom du commissaire, mais si les commissaires étaient nommés parmi les résidents du Territoire, est-ce que cela ne corroborerait pas

[*Text*]

that every encouragement should be given to private capital investing in the Yukon Territory?

Mr. King: We would certainly think so. Even going back to Mr. Collins' time who served under you, we received every encouragement, and he was not a locally appointed commissioner. I do not know if a significant factor in the Commissioner's attitude towards our investment there had anything to do with whether he was a local man or an outsider.

Mr. Nielsen: Mr. Chairman, it should be pointed out too for those members of the Committee who may not be aware of the fact that the commissioners of both territories take their instructions from the Minister of Indian Affairs and Northern Development.

An hon. Member: Whether he is locally appointed or not?

Mr. Nielsen: Whether he is locally appointed or not, he is a federal civil servant.

Mr. Deakon: Should they not consult these commissioners? After all they are on the site and they can see what goes on more so than the Minister.

Mr. Nielsen: They consult in terms of telling them what to do.

Mr. Dinsdale: I want to pursue this line of questioning for a moment. I think there has been a growing trend in both territories for greater independence of action. This is my impression as one who used to be Minister of Northern Affairs and National Resources and I know when Mr. Cameron was appointed it was with the intention of giving him as much freedom of action and decision as possible within his terms of reference. Let us move on one step further towards this problem of independence of action in the North. Your relationships with the Yukon Legislative Council are cordial?

Mr. Choate: Yes.

Mr. Dinsdale: I know in the recent visit and on earlier visits it has always been my impression that the members of the Yukon Legislative Council were unanimously in support of the activities of the Yukon Electrical Company Limited in providing power service to the Yukoners. This still carries on?

Mr. Choate: I think by and large we have a very good relationship with the Council. As Mr. King has said there is the odd councillor who for want of headlines, probably, does some sniping at us. We are fully prepared to cope with this eventuality. I think we have a good relationship with them now.

[*Interpretation*]

avec l'opinion voulant qu'on encourage les investissements privés dans ce territoire?

M. King: Nous le croirions. Mais même dans le temps de monsieur Cullen, votre subalterne, nous y étions encouragés et ce n'était pas un commissaire nommé sur place. Je ne sais pas si le fait d'être un résident ou un étranger, influence de manière significative l'attitude du commissaire envers nos investissements dans ce territoire.

M. Nielsen: On devrait préciser aux membres du Comité qui ne savent peut-être pas que les commissaires des deux territoires reçoivent leurs directives du ministre des Affaires indiennes et du Nord canadien.

Une voix: Que l'on nomme des personnes de l'endroit?

M. Nielsen: Qu'il soit de l'endroit ou non, c'est un fonctionnaire fédéral.

M. Deakon: Ne devraient-ils pas consulter ces commissaires. Après tout, ils sont sur place et ils peuvent mieux savoir ce qu'il faut faire que le ministre.

M. Nielsen: Ils les consultent afin de leur dire ce qu'il faut faire.

M. Dinsdale: J'aimerais poursuivre dans ce même ordre d'idées pour l'instant. Je pense qu'il y a une tendance croissante dans les deux territoires à donner plus d'indépendance d'action. A mon avis, en tant qu'ancien ministre du Nord canadien et des Ressources nationales, je sais que lorsque M. Cameron a été nommé, on avait l'intention de lui donner autant de liberté d'action et de décision que possible d'après son mandat. Étudions un peu plus la question de l'indépendance d'action dans le Nord. Est-ce que vos rapports avec le Conseil législatif du Yukon sont sous le signe de la bonne entente?

M. Choate: Oui.

M. Dinsdale: Je me suis rendu compte au cours des récentes visites et des visites précédentes que les membres du Conseil législatif appuyaient unanimement l'activité de la *Yukon Electrical Company Limited* pour le service d'électricité donné aux habitants du Yukon. Est-ce que cela continue?

M. Choate: Je pense qu'en général nous avons de très bons rapports avec le Conseil. Comme l'a dit M. King, il y a parfois des petites frictions avec certains membres du conseil mais nous sommes en mesure de faire face à ces critiques. Je pense que nous avons de bons rapports avec eux en ce moment.

[*Texte*]

Mr. Dinsdale: So it would seem then perhaps that the changed situation arises from a fundamental change in policy; that it is in the public interest or the best interests of the Northerners for the public utility to gradually move in to serve the Yukoners. You get the impression that this is the change in policy?

• 1235

Mr. Choate: Very much so in the last few years. The replies from the Commissioner would indicate that this is so.

Mr. Dinsdale. Have you ever had an opportunity to discuss this with ministers or with deputy ministers?

Mr. Choate: We have not discussed this with the present Minister. We did have discussions with the previous Minister.

Mr. Dinsdale: Did he indicate any change in policy with respect to encouraging private capital?

Mr. Choate: I would say that he indicated there was a tendency towards a policy change. Perhaps Mr. King would add something, but personally I sensed that there was a change in direction.

Mr. King: This is one of our concerns. There is nothing stated or no announcement in the House we can point to. It is just happening.

Mr. Dinsdale: At the recent Northern Resources Conference in Whitehorse there was what we might call a slight confrontation in the discussions following the Minister's speech about the interpretation of his message with respect to the role of your company in the North.

Mr. King: We were given to understand that we had misinterpreted the speech.

Mr. Dinsdale: And that it was still the policy of the Government of Canada to encourage private enterprise in the North?

Mr. Deakon: It must have been in French, then.

Mr. King: Yes, but I wish you could give us more conviction.

Mr. Dinsdale: I know there is a tendency for empire building in government services and especially in a semi-autonomous situation such as both the Yukon Territory and the Northwest Territories. We could talk about the northern transportation system, for example, which was another problem of this area.

[*Interprétation*]

M. Dinsdale: Il semblerait donc peut-être que le changement de la situation provient d'un changement fondamental de politique, c'est-à-dire on pense qu'il est de l'intérêt des gens du Nord de permettre aux services publics de desservir le Yukon. Est-ce que ce n'est pas l'impression que vous avez?

M. Choate: Oui, beaucoup depuis les dernières années. Les réponses du commissaire indiqueraient une telle tendance.

M. Dinsdale: Est-ce que vous avez eu l'occasion d'en discuter avec les ministres et les sous-ministres?

M. Choate: Nous n'avons pas abordé ce sujet avec le ministre actuel, mais avec l'ancien ministre.

M. Dinsdale: Est-ce qu'il a indiqué un changement de politique en ce qui concerne l'encouragement de l'investissement privé?

M. Choate: Il nous a laissé entendre qu'on constate une tendance à changer de politique. Monsieur King pourrait peut-être vous en dire plus long, mais pour ma part, j'ai senti qu'il avait un changement dans cette direction.

M. King: Une chose nous inquiète. On n'a rien dit ni annoncé à la Chambre qui se rapporte à cette question. Cela vient juste de se produire.

M. Dinsdale: Lors de la dernière Conférence sur les ressources du Grand Nord à White Horse il y a eu ce qu'on pourrait appeler une légère confrontation, au cours de la discussion qui a suivi la déclaration du ministre au sujet de l'interprétation de son message sur le rôle de votre société dans le Nord.

M. King: Vous avez laissé entendre que nous avons mal interprété son discours.

M. Dinsdale: Et que le gouvernement du Canada avait toujours pour politique d'encourager l'entreprise privée dans le Nord?

M. Deakon: On a dû le dire en français.

M. King: Oui, mais j'aurais aimé que l'on soit un peu plus convaincant.

M. Dinsdale: Je sais qu'on a tendance à l'impérialisme dans les services de l'État et tout particulièrement dans une situation semi-autonome comme celle des territoires du Nord-Ouest et du Territoire du Yukon. Nous pourrions parler du système de transport dans le Nord par exemple, qui pose un autre

[*Text*]

I think we can see that there is something developing in this particular operation in the Yukon that this Committee might well comment upon.

I hope as a result of the information that we have been gathering in the hearings we might be able to restore a more favourable balance in the direction of private enterprise, because this is one of the great problems of northern development—encouraging private capital.

Mr. Nielsen: Mr. Chairman, for the benefit of the Committee members, without intending to be direspectful to Mr Dinsdale, I could observe critically about the time when the Conservatives were in office and refer Committee members to the reports of 1959 and 1960 when the Northern Transportation Company Limited, the Edmonton Transportation Company, and the Yellowknife Transportation Company Limited, the private enterprise, were being discussed before the Committee, and almost the same principles as are involved in this situation were being discussed. Eventually the government agency drove the private agency to the wall and bought them out. Now they are saddled with ae government agency in the Northwest Territories. That happened under a Conservative Government.

Mr. Dinsdale: If I may comment on that particular situation, it happened in 1958-59, Mr. Nielsen, and the reason I raised it this morning was because I was aware that there are influences within government circles that are pretty hard for members of Parliament to come to grips with.

Mr. Nielsen: Like deputy ministers.

Mr. Dinsdale: No names, no "pack drill". It is possible for a committee of this kind at open hearings of this nature to get to the root of the matter, to draw its own conclusions, and to make its own recommendations. I think this meeting has been very helpful in this respect this morning.

Mr. Orange: Mr. Chairman, to help with the record a little, I think we want to be very careful about jumping to broad conclusions because we are dealing with one particular segment. I suggest that in the last number of years there have been a considerable number of incentives for private enterprise in the North; namely, the mining development fund, the small businesses loans, the continuation of the roads program, and so on. I do not think we should get off too far from this.

[*Interpretation*]

problème dans cette région. Je pense qu'on peut constater un progrès dans l'activité entreprise au Yukon et que le Comité devrait en parler.

J'espère qu'à la suite des renseignements que nous avons recueillis au cours des audiences, nous pourrons refaire un équilibre plus favorable de l'entreprise privée parce que c'est un des grands problèmes de développement du Nord, l'encouragement des investissements privés.

M. Nielsen: Sans vouloir manquer de respect à monsieur Dinsdale, mais je pourrais, pour le bénéfice des membres du comité, faire certaines critiques sur le temps où les conservateurs étaient au pouvoir. J'aimerais reporter les députés aux rapports de 1959 et 1960, quand la *Northern Transportaation Company Limited*, l'*Edmonton Transportation Company* et la *Yellowknife Transportation Company Limited* ont fait l'objet de débats devant le Comité. Presque les mêmes principes impliqués dans cette situation ont été débattus. Enfin de compte, l'organisme gouvernemental a poussé l'entreprise privée au pied du mur et l'a achetée. Ils sont maintenant attachés à un organisme gouvernemental dans les Territoires du Nord-Ouest. Cela s'est passé alors que les conservateurs étaient au pouvoir.

M. Dinsdale: J'avais quelque chose à dire à ce sujet. Cela s'est passé en 1958-1959, monsieur Nielsen, et j'ai soulevé ce point ce matin parce que je sais qu'il y a des influences dans les cercles gouvernementaux que les députés connaissent difficilement.

M. Nielsen: Comme les sous-ministres.

M. Dinsdale: Nous ne voulons pas nommer personne mais il est possible qu'un comité de ce genre dont les séances sont publiques, aille au cœur de la question, tirer ses propres conclusions et fasse des recommandations. Je crois que cette réunion a été très utile à cet égard, ce matin.

M. Orange: Pour les comptes-rendus, je pense que nous devons prendre notre temps et ne pas sauter aux conclusions parce que nous traitons d'un aspect en particulier. Au cours des dernières années, il y a eu un grand nombre de programmes d'encouragement de l'entreprise privée dans le Nord canadien, entres autres, la caisse de développement minier, les prêts aux petites entreprises, la poursuite du programme routier et autre. Je ne pense pas que nous devrions trop nous éloigner.

[*Texte*]

• 1140

I think the principle of private enterprise is still there. Perhaps we should be watchdogs in relation to making sure that there is not an invasion into this area by government, but I think if we stick to the question of utilities we might be well advised to do so.

The Chairman: Mr. St. Pierre.

Mr. St. Pierre: I would like to deal with matters on a somewhat broader basis, Mr. Chairman.

This is essentially a question of whether supplies of power should precede development or accompany it. Sometimes, as we know, they lag behind in this respect, although seldom. Because you come from British Columbia you would be familiar with our experiment on the Peace Dame. This is something which your Premier tried very assiduously to interest private capital in, but he was unsuccessful. As a result, the B.C. Hydro and Power Authority was taken over and practically all the power in B.C. was socialized and the dam is proceeding.

I wonder if any of these witnesses, Mr. Chairman, have an opinion to offer with respect to that situation in British Columbia.

Mr. King: Yes, we do. We are one of the group that were in on the original Peace Dam project.

Mr. St. Pierre: The Wenner-Gren group?

Mr. King: The McTaggart group, and that group was fully prepared to proceed with that project, just as Churchill Falls is being built today. The reason Mr. Bennett undertook the construction of that project was not because of a lack of interest by private capital, I can assure you.

Mr. St. Pierre: I must say this comes as a surprise to me. Mr. Bennett certainly left the impression that the B.C. Hydro Power Authority, which was our primary private source, had declined to enter the Peace project.

Mr. King: I will undertake to get information for you on the details of what happened.

Mr. St. Pierre: That is very interesting, Mr. King. However, to pursue this further, the territory is very similar to the Yukon and I think it would be of interest to us. What is the situation in Alaska; is it public power, private power or a combination of both?

[*Interprétation*]

Le principe de l'entreprise privée existe toujours. Nous devrions surveiller attentivement pour nous assurer que le gouvernement n'envahit pas ce secteur, mais nous aurions avantage à le faire si nous nous en tenons à la question des services.

Le président: Monsieur Saint-Pierre.

M. Saint-Pierre: Merci, monsieur le président. J'aimerais parler de questions un peu plus générales.

Essentiellement, il s'agit de savoir si l'approvisionnement d'énergie devrait précéder ou accompagner le développement. Parfois, comme vous le savez, on retarde dans ce domaine, quoique assez rarement. Comme vous venez de la Colombie-Britannique, vous devez connaître notre barrage de la Rivière-de-la-paix. Votre premier ministre a bien essayé d'intéresser les capitaux privés à ce projet, mais en vain. Par conséquent, la *B.C. Hydro and Power Authority* a été achetée par le gouvernement et presque toute l'énergie de la Colombie-Britannique a été nationalisée et on procède à la construction du barrage.

Je me demande si quelques uns des témoins auraient une opinion à exprimer sur cette situation qui existe en Colombie-Britannique.

M. King: Oui, nous avons une opinion à ce sujet. Nous sommes l'un des groupes qui sont intéressés au projet du barrage de la Rivière-de-la-paix

M. St-Pierre: Le groupe Wenner-Gren?

M. King: Le groupe McTaggart, et ce groupe était prêt à entamer ce projet, comme le projet des chutes Churchill l'est aujourd'hui. La raison pour laquelle M. Bennett a entrepris la construction de ce projet n'est pas le manque d'intérêt de la part de l'entreprise privée, je vous l'assure.

M. St-Pierre: Je dois dire que cela me surprend. M Bennett a bien laissé entendre que la *B.C. Hydro and Power Authority* qui était une compagnie privée, avait refusé de s'intéresser au projet de barrage de la Rivière-de-la-paix

M. King: Je serais heureux de vous fournir des détails à ce sujet, sur ce qui s'est passé.

M. St-Pierre: C'est très intéressant, monsieur King. Pour poursuivre sur cette question, le territoire ressemble beaucoup au Yukon, et je pense que cela nous intéresserait. Quelle est la situation en Alaska? Est-ce que c'est des compagnies privées ou publiques, ou les deux?

[*Text*]

Mr. King: It is a mix.

Mr. St. Pierre: In approximately what proportion.

Mr. King: I am afraid I could not tell you. Mr. Choate may know.

Mr. Choate: It is mainly municipally-owned. The City of Fairbanks owns their own plant. The outside of the city is surrounded by rural electrification associations. Anchorage has its own municipal utility. Tok Junction, Skagway, Haines and Juneau, the capital of Alaska, are all investor-owned utilities. They are not at all owned by the same company. A couple of them are owned by individuals who more or less built them up from the beginning of the community. So, it is a mixture. There is a federal hydro project underway near Juneau that will sell power to the investor-owned utility to distribute to the communities of Douglas and Juneau, and they will also sell power to an industrial customer that is supposed to be locating in the area.

Mr. St. Pierre: Is this a major undertaking?

Mr. Choate: Yes, it is a large undertaking. It will not be completed until 1973 but the planning has gone on for some time between the different groups.

Mr. St. Pierre: Has your group ever investigated the situation with respect to publicly-owned and privately-owned power rates in Alaska and made comparisons with your situation in the Yukon?

Mr. Choate: Not to any degree. I was in Juneau a week ago and spoke to them and their rates are very similar to the Whitehorse rates. The top step in Juneau is 5 cents and the bottom step is approximately 2.5 cents, compared to 1.6 cents in Whitehorse. The rates in Fairbanks are higher because it is a coal-fired plant, and their cost of service is higher. Wages are considerably higher in Alaska than they are in the Yukon. I am not familiar with the rate structure in Anchorage.

• 1245

Mr. St. Pierre: This matter is dealt with at considerable length in the Carr Report, and there have been many references to it today. When Dr. Carr was before the Committee he mentioned that he foresees major developments in the Yukon. I imagine you also foresee major developments in the Yukon and

[*Interpretation*]

M. King: Les deux.

M St-Pierre: Dans quelles proportions environ?

M. King: Je ne pourrais vous le dire. M. Choate le sait peut-être.

M. Choate: Ces compagnies appartiennent surtout aux municipalités. La ville de Fairbanks a sa propre usine. A l'extérieur de la ville, il existe des associations d'électrification rurale. Anchorage possède ses propres services publics. John Junction, Shagway, Haines et Juneau, capitale de l'Alaska, possèdent des services publics qui appartiennent aux actionnaires, mais non pas à la même compagnie. Deux ou trois compagnies appartiennent à des individus qui ont plus ou moins construit ces usines dès le début de la collectivité. On a donc les deux. Il y a un projet hydro-électique du fédéral, en voie de construction près de Juneau, et qui va fournir l'énergie aux services publics qui sont la propriété des actionnaires. Ces services vont fournir l'électricité à Douglas et à Juneau, de même qu'à un client industriel qui est censé s'établir dans la région.

M. St-Pierre: Est-ce que c'est une grande entreprise?

M. Choate: Oui, c'est une grande entreprise, qui sera terminée en 1973 seulement, mais les différents groupes ont déjà fait la planification voulue.

M. St-Pierre: Est-ce que votre groupe a fait une enquête sur la situation des taux d'électricité exigés, en Alaska, par les compagnies privées et l'État, et a-t-il fait une comparaison avec la situation qui existe au Yukon?

M. Choate: Non. J'étais à Juneau, il y a une semaine, et j'en ai discuté avec eux. Leurs taux sont semblables à ceux de Whitehorse. A Juneau, le maximum est de 5c. et le minimum d'environ 2.5c., comparativement à 1.6c. à Whitehorse. A Fairbanks, les taux sont plus élevés parce que l'usine est alimentée en charbon et que le coût du service est plus élevé. Les salaires sont beaucoup plus élevés en Alaska qu'au Yukon, et je ne connais pas la structure des taux à Anchorage.

M. St-Pierre: Voici une question dont traite longuement le rapport Carr, et on y a fait souvent allusion, aujourd'hui. M. Carr a laissé entendre au Comité, lors de son témoignage, qu'il prévoit de grands développements au Yukon. J'imagine que vous vous attendez aussi à une grande croissance, au Yukon, bien

[*Texte*]

expect a considerable growth, although you rather doubt his figure of $485 million for 1985. Is this correct?

Mr. Choate: We think his estimates are considerably on the high side. We feel that approximately 50 per cent of that amount is a more reasonable figure to look at as the top.

Mr. St. Pierre: However, this is still a very considerable growth for the Yukon.

Mr. Choates: Yes.

Mr. St. Pierre: He and Dr. Anderson, I believe, told the Committee that effectively a major public investment would necessarily ose money over a period of years in the development stage, but there was an expectation that with the growth of industry and population it would move into a profit position. He also suggested to this Committee that it was scarcely attractive to private investment to tie up large amounts of capital with little hope of a return for a considerable period of time. I would be interested in hearing your comments on this. I think I am quoting Dr. Carr fairly.

Mr. Choate: We think you could look to the power development in the provinces as a guide to how this should be done. In the case of Alberta, in the earlier days the size of the plants that were installed to meet their needs, were relatively small. Plant sizes have increased progressively and the units that are now going in there are comparable in size to anything elsewhere. However, if you saddled provincial system with a power development which was clearly in advance of its needs and of a size which was in advance of its needs you would never fully realize economies 20 years hence when you were using that resource properly. Losses that you would have to live with throughout the intervening years would eat up any future economic benefit. This is the reason that all the provinces have developed their resources progressively and in stages in order to fit the loads with which they will then be faced, and I think the Yukon should do the same.

Mr. St. Pierre: But, oddly enough, the critics of Premier Bennett in British Columbia claim this is exactly what he is doing on the Peace project, moving ahead too far too quickly, with too large an investment and without sufficient sales, but since your group has prepared to move in I take it you would not agree with that view.

[*Interprétation*]

que vous mettiez en doute son chiffre de 485 millions de dollars pour 1985, n'est-ce pas?

M. Choate: Nous croyons qu'il exagère beaucoup. Et nous pensons qu'un chiffre inférieur de 50 p. 100 environ serait plus raisonnable.

M. St-Pierre: C'est encore un taux de croissance assez considérable pour le Yukon, cependant.

M. Choate: Oui.

M. St-Pierre: Il a dit au Comité, et M. Anderson, je pense, l'a dit aussi, qu'il serait nécessaire que le gouvernement investisse des capitaux à perte pendant quelques années, pendant la période de développement mais qu'on prévoyait qu'avec la croissance de la population et de l'industrie on ferait des profits. Il a également dit au Comité que cela n'était pas intéressant pour les compagnies privées de bloquer des sommes importantes avec peu d'espoir de faire des profits pendant un certain nombre d'années. Pouvez-vous nous dire ce que vous en pensez? Je crois que je cite assez bien l'opinion de M. Carr dans son rapport.

M. Choate: Nous pensons qu'on peut se fier à l'expérience des provinces en ce qui concerne l'énergie. Dans le cas de l'Alberta, au tout début, les centrales que l'on avait installées pour suffire à leurs besoins étaient relativement petites. Les dimensions des centrales ont augmenté progressivement et celles qui se construisent en ce moment peuvent se comparer, du point de vue de la dimension, à n'importe quelle autre centrale ailleurs. Cependant, si vous installez, dans une province, des centrales qui sont au-delà de ses besoins et beaucoup trop grandes, vous ne pourrez jamais réaliser pleinement des économies avant 20 ans, et cela, à condition que cette énergie soit convenablement utilisée. Les pertes que vous auriez à subir durant les années qui s'écoulent entameraient tous les bénéfices à venir. C'est la raison pour laquelle toutes les provinces ont développé leurs ressources de façon progressive, et par étape, afin qu'elles puissent adapter les charges dont elles auront à faire face, et j'estime que le Yukon devrait suivre l'exemple.

M. St-Pierre: Mais aussi étrange que cela puisse paraître, les critiques du premier ministre M. Bennett prétendent que c'est précisément ce qu'il fait en ce qui concerne le projet de la rivière La Paix, et disent qu'il s'engage trop loin, trop vite, en investissant de grosses sommes, sans être assuré de ventes suffisantes d'énergie, mais puisque votre

[*Text*]

Mr. King: No, I do not agree with that, and Dr. Shrum was very recently quoted as saying that the capacity of the Portage Dam will be fully utilized very shortly.

Mr. St. Pierre: Just one further short question, Mr. Chairman. A few minutesago you quoted some figures which I did not mark down. The rebate in the Yukon was $167,000?

Mr. Choate: The first payment was $167,000.

Mr. St. Pierre: And this amounted to 10 per cent of what?

Mr. Choate: I should go back to explain this. There is a three-year time lag in the rebate of this money. This is income tax that we paid in 1966 and it will be of the order of 8 per cent of our 1969 revenue. As you can appreciate, our total loads have grown.

Mr. St. Pierre: Yes, gross revenue.

Mr. Choate: Between 1966 and 1969 our load has grown so the percentage that applies to 1969 is a smaller amount than that which applies to 1966.

Mr. St. Pierre: Those are all my questions, Mr. Chairman. Thank you.

The Chairman: Mr. Deakon, did you indicate you had some questions?

Mr. Deakon: No, I will pass.

The Chairman: I have two or three questions, sir. What has the return on your investment been over the years for Yukon Electrical? I presume it was fairly low for a period and it has come up a bit. Can you give us an idea of...

Mr. King: It is calculated on the utility rate of return, as is done by the Public Utility Board in Alberta, and it is of the order of 10 per cent on the net investment, the plant investment less the depreciation.

The Chairman: You used the term, "calculated on the utility rate of return". What does that mean?

[*Interpretation*]

groupe était disposé à s'y établir, je suppose que vous ne seriez pas d'accord avec ce point de vue.

M. King: Non, je n'admets pas cela, et M. Shrum avait fait savoir, tout récemment, que la capacité du barrage Portage sera complètement utilisée d'ici peu.

M. St-Pierre: Une autre petite question, monsieur le président. Voici quelques minutes, vous nous avez donné des chiffres que je n'ai pas inscrits. L'abattement au Yukon était de l'ordre de $167,000?

M. Choate: Le premier paiement a été de $167,000.

M. St-Pierre: Et cela représentait 10% de quoi?

M. Choate: Je devrais revenir en arrière et vous expliquer ceci. Il y a un retard de trois ans pour ce qui est de l'abattement. Il s'agit ici de l'impôt sur le revenu que nous avons payé en 1966 et qui sera environ 8% de notre revenu pour 1969. Comme vous pouvez le concevoir, nos charges totales ont augmenté.

M. St-Pierre: Oui, le revenu brut.

M. Choate: Entre 1966 et 1969, notre charge a augmenté, de sorte que le pourcentage qui s'applique à l'année 1969 est inférieur à celui de l'année 1966.

M. St-Pierre: C'est tout pour le moment, monsieur le président. Merci.

Le président: Monsieur Deakon, avez-vous des questions à poser?

M. Deakon: Non, je cède la parole.

Le président: J'ai quelques questions à vous poser. Quel a été le rendement de votre investissement dans la *Yukon Electrica* depuis un certain nombre d'années? Je présume que le rendement était bas au début et qu'il a augmenté quelque peu. Est-ce que vous pouvez nous donner une idée de cela?

M. King: C'est calculé d'après le taux de rendement des services d'utilité, comme cela se fait à la Commission des services d'utilité publique de l'Alberta, et c'est environ 10 p 100 de l'investissement net, c'est-à-dire l'investissement relatif à la centrale moins la dépréciation.

Le président: Vous avez utilisez le terme «calculé», à propos du taux de rendement des services d'utilité. Qu'est-ce que cela veut dire?

[*Texte*]

Mr. King: In a regulated industry such as ours a utility board establishes our net investment to serve our customers. By "net" we mean the gross cost less the depreciation reserve, and allowances are principally made for working capital. The earnings on that investment are referred to as the rate of return, and at present it is of the order...

The Chairman: Has it been lower or has it been higher, or what?

Mr. King: We have reduced rates on quite a number of occasions whenever we tended to go above that number. The agreement we have had with the Commissioner in our franchises is 10. As a matter of fact we have voluntarily reduced it to 9.5.

The Chairman: Your objective then is to have a rate of return of 10 per cent?

Mr. King: To keep it in that order, yes.

The Chairman: And the fact that interest rates now generally are up in the area of 8 per cent has not changed your objective upwards?

Mr. King: No. We have no intention at all of rate increases in the Yukon at the present time. We have been fortunate that the growth of the system has offset, through economies, the other increases in costs such as wages, materials and supplies.

The Chairman: Are you able to make any comparisons, Mr. King, between the rate of return of your system and other systems in Canada? I presume the government systems work on the same basis, do they?

Mr. King: Not quite, no. They have to meet the cost of their debt and that, in effect, constitutes their return. You may have noticed Bell Telephone is presently applying for a rate increase. They have been traditionally allowed 6.2 to 6.8, and they are asking for 9.

Mr. R. L. Schantz (Vice-President, Foster Associates, Inc., Calgary, Alberta and Washington, D.C.): May I interject for a moment, please? It might clarify this for you. I have made a special study of the rate of return on the net investment of municipal and provincial-owned electric utilities and have found that they have gone up as high as 20 and 25 per cent.

Mr. King: Yes, the City of Edmonton at the hearings last fall showed a return of about 16

[*Interprétation*]

M. King: Dans une industrie réglementée, comme la nôtre, une Commission des services d'utilité établit notre investissement net pour donner les services aux consommateurs. Le mot «net» signifie le coût brut moins la réserve de dépréciation, et des allocations sont principalement prévues pour le capital de roulement. Les bénéfices provenant de cet investissement sont désignés sous le terme de «taux de rendement», et à l'heure actuelle il est de l'ordre de...

Le président: A-t-il été inférieur ou supérieur, ou quoi?

M. King: Nous avons réduit le taux dans un grand nombre de cas, d'après notre accord avec le commissaire, le taux était fixé à l'Orateur, nous l'avons réduit volontairement à 9½.

Le président: Votre objectif est donc un revenu de 10 p. 100.

M. King: Oui, dans cet ordre d'idées.

Le président: Le taux d'intérêt en ce moment est d'environ 8 p. 100 et cela n'a pas changé votre objectif, ne l'a pas fait augmenter?

M. King: Non. Nous n'avons aucune intention d'augmenter les taux au Yukon en ce moment. Nous avons eu de la chance, la croissance du réseau a compensé l'augmentation des frais, tels que les salaires, le matériel et les fournitures.

Le président: Est-ce que vous pouvez faire des comparaisons, monsieur King, entre le rendement de votre compagnie et le reste du Canada, je suppose que le réseau du gouvernement fonctionne de la même façon?

M. King: Non, ce n'est pas tout à fait juste, ils doivent calculer le coût de la dette et cela affecte le rendement. Par exemple, la Bell Canada a demandé une augmentation de ses taux. La Compagnie obtenait traditionnellement un rendement de 6.2 à 6.8 p. 100 et elle demande 9 p. 100.

M. R. L. Schantz (Vice-président de Foster Associates Inc, Calgary et Washington): J'aurais quelque chose à dire, j'ai fait une étude spéciale du taux de rendement sur l'investissement net des compagnies électriques qui appartiennent aux provinces et aux municipalités. J'ai trouvé que leur rendement est de l'ordre de 20 à 25 p. 100.

M. King: La ville d'Edmonton, à l'audience, l'automne dernier, a déclaré avoir un rende-

[*Text*]

per cent, calculated on the same basis we are using here.

Mr. Schantz: Now these earnings, Mr. Chairman, consist not only of the interest paid on the debt but earnings that are retained by the electric utility owned by the municipal or the provincial government and made available for general disposition of the government.

The Chairman: Thank you. Mr. King, at the beginning of your testimony today you stated that you would be able to handle all future hydro development in the Yukon if you knew you had responsibility for long-term planning. By having responsibility for long-term planning, do you mean that you would have sole responsibility for long-term planning? What did you have in mind?

Mr. King: Again, if I can refer to our Alberta situation, we have in Alberta recognized service areas as allocated by the Alberta Power Commission. We have the full responsibility for ensuring that the electrical requirements in those areas are met which, of course, involves the long-range forward planning as well as the plant additions as they are needed. We would envisage the same situation if our service areas in the Yukon were clearly defined.

• 1255

The Chairman: Ideally, you would like to be in charge of not only the distribution, but the hydro development itself for the entire Yukon? This would be the ideal situation from your point of view, would it not?

Mr. King: Yes, I would feel this to be true.

But if it is to be a joint effort, then so long as the areas of responsibility are laid down we can proceed from there knowing to what extent we have to plan plant additions and to what extent we should be able to look to Northern Canada Power Commission for those.

The Chairman: The evidence which came out earlier about the complete lack of consultation between yourselves and the NCPC, was that on the Anvil development?

Mr. King: Yes, that was one instance.

The Chairman: Is this explainable at all by the fact that both the production of the power

[*Interpretation*]

ment d'environ 16 p. 100 sur la même base.

M. Schantz: Monsieur le président, ce rendement tient compte non seulement de l'intérêt sur la dette mais des bénéfices non distribués par une compagnie d'électricité détenue par le gouvernement provincial et municipal et mis à la disposition du gouvernement.

Le président: Merci, monsieur King, je ne me souviens pas qui a posé cette question mais au début de votre témoignage, dans une de vos réponses, vous avez dit que vous pourriez vous occuper de tout le développement électrique du Yukon si vous saviez que l'on vous laisse la responsabilité de la planification à longue échéance. Ayant la responsabilité de cette planification à long terme, est-ce que vous voulez dire que vous seriez seuls responsables de cette planification? Que voulez-vous dire par-là?

M. King: Je me reporte à la situation qui existe en Alberta. En Alberta nous avons certains services alloués par la Commission de l'énergie hydro-électrique de l'Alberta. Nous avons la responsabilité de voir à ce que l'on remplisse les besoins à long terme des régions en question. Nous songeons que la même situation pourrait prévaloir si nos genres de services au Yukon, étaient définis clairement.

Le président: Du point de vue idéal, vous aimeriez avoir la responsablité, non seulement de la distribution mais du développement hydro-électrique dans son ensemble pour le Yukon, c'est ce que vous voulez laisser entendre, n'est-ce pas?

M. King: Oui, je pense que c'est exact.

Mais cela devrait être un effort conjoint. Aussi longtemps que les responsabilités seront établies, nous pouvons partir de ce point-là si nous savons d'avance là où nous devrons implanter de nouvelles centrales. Il nous reste à savoir si nous pouvons compter sur la Commission pour ces centrales.

Le président: Est-ce qu'il y a eu un manque de consultation entre vous et la NCPC en ce qui concerne le développement à Anvil.

M. King: Oui, c'est un cas.

Le président: Est-ce que cela s'explique par le fait que la production de l'énergie et l

[*Texte*]

and the construction of the transmission lines were handled by the NCPC and they felt that they did not need to consult you? It seems to me rather strange too that there should not have been consultation here, but in actual fact what were the consultations which should have occurred with you and which did not occur?

Mr. King: I will give you an example. Our interest was involved in that the Whitehorse system which we serve is being tied to the Anvil system. Therefore, the total generation available to that system was of concern to us. Not knowing NCPC's plans, a year ago we brought in diesel generators ourselves, because we were concerned that there was going to be an inadequate supply over the past winter. We were unable to obtain a scheduling on their installation. As I say, we only got by newspaper and word of mouth what they were doing in the way of adding capacity.

The Chairman: Do you consult with them when you do anything?

Mr. King: We have provided them with load forecasts on a number of occasions.

Mr. Choate: If I may speak to that, in February of 1967 we asked them to proceed with the installation of the third turbine in Whitehorse immediately, because we saw need for the power last fall, and we agreed to purchase the entire output of that turbine.

The turbine was not put in at Smith at the time we suggested it be and this was the main reason they had to purchase these diesels and put them in last winter. The turbine itself is not being installed until this summer; it is due for completion in July or August of this year. But this was a clear case where we estimated what the loads would be and on that basis we suggested capacity be added, and it was not. As a result we had to purchase our own diesels in two successive winters.

The Chairman: Do you see the possibility of a satisfactory arrangement being worked out, in the future where both the NCPC and the Yukon Electric can live together, where the functions would be more clearly defined and you will both be able to produce a service to the benefit of the Yukon consumer?

Mr. King: We suggest in our brief that the practice now developed in the Northwest United States is an excellent example of how this in fact can work where both government

[*Interprétation*]

construction de lignes de transmission étaient la responsabilité de la Commission et qu'elle n'a pas jugé bon de vous consulter, il me semble un peu étranger qu'il n'y ait pas eu de consultation, mais de fait quelle consultation aurait dû avoir lieu et qui n'a pas eu lieu?

M. King: Je vais vous donner un exemple. Notre intérêt se portait sur le réseau de Whitehorse que nous desservons, qui devrait être relié au réseau d'Anvil. Par conséquent, nous nous intéressions à l'énergie totale disponible pour tout le réseau. Ne connaissant pas les plans de la Commission, il y a un an, nous avons acheté des génératrices nous-mêmes parce que nous pensions que l'approvisionnement ne serait pas suffisant pour l'hiver. Nous n'avons pas pu obtenir d'informations sur la programmation de leurs installations. Ce n'est que par le truchement des journaux et des on-dit que nous avons appris qu'ils allaient augmenter la capacité de leurs installations.

Le président: Est-ce que vous avez des consultations avec eux lorsque vous entreprenez quelque chose?

M. King: Oui, nous leur avons donné des prévisions des besoins.

M. Choate: En février 1967, nous leur avons demandé d'installer la troisième turbine à Whitehorse tout de suite parce que nous avions besoin de cette énergie pour l'automne et nous avons promis d'acheter toute l'énergie produite par cette turbine.

On n'a pas installé cette turbine et par conséquent c'est la raison pour laquelle nous avons dû acheter ces générateurs diesels et les installer l'hiver dernier. La turbine ne sera pas installée avant cet été, elle sera complétée en juillet ou en août de cette année. C'est nettement un cas où nous avons évalué la charge nécessaire et nous avons suggéré d'augmenter la capacité et on ne l'a pas fait. Par conséquent, nous avons dû acheter nos propres diesels pendant deux hivers successifs.

Le président: Entrevoyez-vous la possibilité d'une entente satisfaisante entre la Commission et le *Yukon Electric* pour que vous puissiez vous entendre et avec des fonctions mieux définies, est-ce que vous êtes tous les deux en mesure de fournir un service adéquat pour le citoyen du Yukon?

M. King: Dans notre mémoire nous avons dit que la pratique qui commence à être appliquée dans le Nord-Ouest des États-Unis est un exemple de la façon dont l'entreprise

[*Text*

and privately owned power can live side by side.

In the case of Alberta there are three major suppliers, Calgary Power, City of Edmonton, and ourselves and we have recently concluded a three-way agreement under
• 1300
which we contract to make available reserves of a certain level at all times on the provincial system. This has been worked out simply by negotiation; nobody has forced anyone into it.

But quite frankly, Mr. Chairman, our difficulty is in talking with Northern Canada Power Commission. We seem to have no way of communicating effectively. An agreement of this kind would be excellent. We have no contract with Northern Canada Power Commission, and never have had, for power supply at Whitehorse.

Mr. Nielsen: Have you asked for one?

Mr. King: On many occasions.

Mr. St. Pierre: May I ask a supplementary here? Am I to understand that you are distributing the power developed by NCPC and you have no contract?

Mr. King: We have never had a contract. We have asked many times. We have suggested that the rate structure to us could be altered to the advantage of the consumer.

Mr. St. Pierre: On what basis are you operating?

Mr. King: We are invoiced once a month. We have had retroactive rate increases on occasion.

Mr. St. Pierre: Amazing. It would seem to me, Mr. King, that one of the points which Dr. Carr made in this report was that electricity can play a role in long-term planning for the development of an area like the Yukon in more ways than one; not only in the direct way of supplying something to the consumer, but as a means of indirect control of the way things are developing. For example, I am not saying that this is the intention, but theoretically at least it could be possible for the government to use electricity rates to influence the rate of development in certain areas of the Yukon.

Dr. Carr in his report saw this as a tool for the government to use in directing the development of the whole area of the Northwest Territories and the Yukon. It is a tool, whether you like it or not. I think you would have

[*Interpretation*]

privée et le gouvernement peuvent coopérer.

Là aussi, dans le cas de l'Alberta il y a trois fournisseurs principaux, la *Calgary Power,* la Ville d'Edmonton et nous-mêmes. Nous avons signé un accord tripartite par lequel nous nous engageons à fournir des réserves à un certain niveau en tout temps pour le réseau provincial. C'est le résultat de certaines négociations, personne n'a forcé qui que ce soit à conclure cet accord, mais nous avons eu beaucoup de difficultés à rejoindre les représentants de la Commission. Nous n'avons aucun moyen de communiquer avec eux. Ce genre d'accord serait très satisfaisant. Nous n'avons aucun contrat avec la Commission.

M. Nielsen: En avez-vous demandé un?

M. King: Oui, plusieurs fois.

M. St-Pierre: Puis-je vous poser une autre question? Dois-je comprendre que vous distribuez l'énergie fournie par la Commission de l'Énergie du nord-canadien et que vous n'avez pas signé de contrat?

M. King: Nous n'avons jamais signé de contrat mais, nous l'avons demandé souvent. Nous avons proposé de pouvoir fixer le taux à l'avantage du consommateur.

M. St-Pierre: Comment vous y prenez-vous?

M. King: Nous leur envoyons un compte une fois par mois. Nous avons fixé des accroissements de taux rétroactifs de temps à autre.

M. St-Pierre: C'est surprenant. Il me semble, monsieur King, que l'un des points que monsieur Carr a prouvé dans son rapport était que l'électricité pouvait influencer la planification à longue échéance en vue de l'expansion d'une région comme le Yukon, de plusieurs façons; non pas seulement directement en fournissant quelque chose au consommateur, mais comme méthode de contrôle indirect de l'expansion générale. Par ailleurs, je ne dis pas que c'est l'intention, mais en théorie il pourrait être possible au gouvernement d'utiliser le taux d'électricité pour influencer le rythme d'expansion de certaines régions du Yukon.

Monsieur Carr, dans son rapport, voyait là un instrument du gouvernement pour influencer l'expansion de toute la région des territoires du Nord-Ouest et au Yukon. C'est un instrument que vous le vouliez ou non? Je crois

[*Texte*]

to acknowledge, would you not, that it is a tool which the government could use? I would like to hear your comments on this anyway.

Mr. King: In the first place, power as a tool, as you suggest, is quite overrated. Many studies have been made about the factors which determine the sight selection of an industry, and power is very far down the list. There are far more significant factors than electric power in industrial development; such things as markets, raw materials, transportation and fuel costs, availability of labour, and so forth. They are all much more important than electric power. Therefore, I would simply say that this is not really a valid suggestion.

The Chairman: You tie in transportation costs, fuel costs, and so on as factors in the decision-making process involved in bringing in electricity. For example, it might be more logical for a company just to put in its own generator and supply its own electricity rather than contact the utility in the region for this service. Do you not find that in such a situation there would be perhaps a conflict of interests between an electrical company that

• 1305

was connected businesswise or corporatewise with other companies who supplied the fuel and the transportation?

I am putting you on the spot here because I realize in all of these things there are often two sides to the story. I think I am getting around, as you probably realize, to asking you a couple questions about one of the items you mentioned earlier that your company was no longer connected with the railway company. I understand that the International Utilities Corp. shares in the White Pass and Yukon Corp. Ltd. were sold. Was it at the end of February or the beginning of March?

Mr. King: Yes, about that time.

The Chairman: What company were they sold to?

Mr. King: Anglo American.

The Chairman: Anglo American.

Mr. King: It is not related to us?

The Chairman: No, they are not. I want to ask a couple of questions in this regard.

[*Interprétation*]

que vous allez devoir admettre qu'il s'agit d'un instrument à l'usage du gouvernment. J'aimerais entendre vos remarques à ce sujet.

M. King: En premier lieu, considérer l'énergie en tant qu'instrument comme vous le dîtes, c'est beaucoup exagérer. Un grand nombre d'études ont été menées sur les facteurs pouvant déterminer le choix d'emplacements pour les industries et l'énergie apparaît parmi les derniers. Il existe des facteurs beaucoup plus importants que l'énergie électrique dans l'expansion industrielle: par exemple les débouchés, les matières premières, les frais de transport et de combustible, la disponibilité de la main-d'œuvre etc. Ces facteurs sont beaucoup plus importants que l'énergie. Par conséquent, je dirais que cette proposition n'est pas valable.

Le président: Vous considérez les frais de transport, de combustible, etc., comme des facteurs influençant la prise de décision, dans le fait de fournir l'électricité. Par exemple, il serait peut-être plus logique pour une usine d'installer son propre générateur et créer sa propre source d'énergie, plutôt que d'obtenir l'énergie dun service public de la région. Ne pensez-vous pas que dans une telle situation il y aurait peut-être un conflit d'intérêts entre une compagnie d'Électricité qui entretient des relations d'affaires et d'autres compagnies qui fournissent les combustibles et les moyens de transport. Je vous mets au pied du mur car je me rends compte que dans ce genre de choses, il y a toujours deux côtés à la médaille. Je vais maintenant vous poser quelques questons sur un des points que vous avez mentionnés antérieurement, à savoir que votre compagnie n'était plus reliée à la compagnie de chemins de fer. Je comprends que les actions de l'*International Utilities Corp* dans la *White Pass of Yukon Corp. Ltd.* ont été vendues. Était-ce à la fin de février ou au début de mars?

M. King: Oui, c'était à peu près à ce moment-là.

Le président: A quelle compagnie ont-elles été vendues?

M. King: Une compagnie anglo-américaine.

Le président: Une compagnie anglo-américaine.

M. King: Cela ne nous touche-t-il pas?

Le président: Non. J'aimerais vous poser quelques questions à ce sujet. La *Canadian*

[*Text*]

Canadian Utilities Ltd. at one point I believe, at least as of December 31, 1967, owned 6 or 7 per cent of the White Pass shares, did they not?

Mr. King: I forget the percentage, but that also has been disposed of.

The Chairman: That was disposed of prior to the disposal.

Mr. King: Yes, or about that same time.

The Chairman: I see. This is the correct time for this disposal—approximately the end of February or the beginning of March?

Mr. King: Yes, it is of that order.

The Chairman: Of 1969?

Mr. King: Yes, that is right.

The Chairman: I am curious. Does International Utilities still have Canadian Coachways Ltd., Canadian Utilities Ltd., Canadian Western Natural Gas Co. Ltd., Northland Utilities Ltd., North West Fidelity Trust Co. Ltd., Northwestern Utilities Ltd., Peace River Mining & Smelting Ltd.? It has those as well as Prince Coach Lines Ltd. through Canadian Coachways, Fort McMurray Power Co. Ltd., Yukon Electrical Co. Ltd., Yukon Hydro Co. Ltd., and Northland Utilities (B.C.) Ltd.

This is the question I want to ask.

It no longer through the White Pass & Yukon Corp. Ltd., has any relationship with the British Yukon Navigation Co. Ltd., or Loiselle Transport Ltd., or British Yukon Ocean Services Ltd.? These passed out of your relationship when the White Pass shares were sold?

Mr. King: When we disposed of White Pass—and I am not sure what degree of interest we have in Peace River Mining which you mentioned, I know we have some, but . . .

The Chairman: I am quoting from this Dominion Bureau of Statitics edition on holding corporations. I believe this was the end of 1966, so it is a bit out of date. It was 18 per cent at that time. Therefore, there is no longer any corporate connection between the company which carries the oil from Vancouver to Skagway, the one which ships the oil by pipeline from Skagway to Whitehorse, and the one which distributes the oil in the Yukon? There is no longer a direct corporate connection?

[*Interpretation*]

Utilities Ltd., à un moment, je crois, du moins le 31 décembre 1967, possédait 6 ou 7 p. 100 des actions de la White Pass, n'est-ce pas?

M. King: Je ne me souviens plus du pourcentage mais, cette question également est réglée.

Le président: La question a été réglée avant la résolution.

M. King: Oui, vers le même moment.

Le président: Je vois. C'est le moment exact de la résolution, vers la fin de février ou au début de mars?

M. King: Oui, à peu près.

Le président: De 1969?

M. King: Oui, c'est ça.

Le président: Par curiosité je vous demanderais si l'International Utilities possède encore la Canadian Coach Ways Ltd., la Canadian Utilities Ltd., la Canadian Western Natural Gas Limited, la Northland Utilities Ltd., la Northwest Utilities, la Northwest Fidelity Trust, la Northwestern Utilities Ltd. et la Peace River Mining and Smelting Limited ?Elle possédait également la Prince Coach Lines Ltd., grâce à la Canadian Coachways, la Fort McMurray Power Company Limited, la Yukon Electrical Company Limited, la Yukon Hydro Company Limited ainsi que la Northland Utilities Ltd. (B.C.). Voilà la question que je voulais vous poser.

Elle n'est plus reliée à la White Pass and Yukon Corporation Ltd., et n'entretient plus de relations avec la British Yukon Navigation Corporation Limited ou la Loiselle Transport Limited ou la British Yukon Ocean Services Limited? Les relations ont été rompues lorsque les actions de la White Pass ont été vendues?

M. King: Lorsque nous avons vendu les actions de la White Pass, j'ignore l'intérêt que nous portions à la Peace River Mining dont vous avez parlé, je sais que vous aviez quelque intérêt, mais...

Le président: Je rapporte ce qu'a dit le bureau fédéral de la statistique concernant les sociétés à portefeuille. Je crois que c'est à la fin de 1966, c'est donc un peu ancien. C'était 18 p. 100 à ce moment-là. Donc, il n'y a aucun rapport corporatif entre la compagnie qui fait le transport de l'huile de Vancouver à Sgaway et celle qui l'expédie par pipeline de Skagway à Whitehorse, et celle qui assure la distribution au Yukon. Il n'y a donc aucun rapport corporatif.

[*Texte*]

Mr. King: No. And the directors that we had on the White Pass board are no longer there.

The Chairman: The two directors who were there are no longer there. Therefore, there is no longer a connection between the electricity complex, the fuel oil complex, and the transportation complex?

Mr. King: No. I might add, Mr. Chairman, that one of the considerations in this move was the political consideration, which is a pity I would like to add.

Mr. Nielsen: Which is a pity. There is nothing to be drawn in the way of inferences from that corporate connection prior thereto?

Mr. King: No. It simply means that to a degree we have become discouraged in the commitment of capital to this particular area.

Mr. Nielsen: Would you permit me a very brief comment? Here we are in the North attempting to attract private investment capital to expand the transportation systems, and

• 1310

because of the political factors involved in this particular situation that private investment capital has been scared off to a large extent.

The Chairman: We could get into an argument on that point, Mr. Nielsen, because I think you would recognize that most of the capital required for transportation facilities in the North has come and is going to continue to come from the public domain.

Mr. Nielsen: No, I am afraid not.

The Chairman: When we consider that the road facilities are part of the transportation...

Mr. Nielsen: Yes, but even so, the millions that have been spent on roads, Mr. Chairman, I am sure with great respect, if we check it out will not come anywhere near approaching the millions of dollars that have been invested by White Pass Yukon since 1901 in the Yukon and the great contribution that railroad has made over the lean years in carrying the country. However, that is case between ourselves.

The Chairman: I will just ask a couple of other questions here. How many Indian people do you have on staff?

Mr. Choate: We have four at the present time.

[*Interprétation*]

M. King: Aucun. Les administrateurs qui faisaient partie du Conseil de la White Pass n'y sont plus.

Le président: Les deux administrateurs qui y étaient n'y sont plus. Il n'y a donc plus de rapport entre le complexe de l'électricité, du combustible et du transport?

M. King: Non. Je peux ajouter, monsieur le président, que l'un des problèmes abordés dans cette proposition était la question politique, ce qui est dommage.

M. Nielsen: Qu'est-ce qui est dommage? Il n'y a rien à déduire des conclusions sur cet ancien rapport corporatif?

M. King: Non. Cela signifie simplement que jusqu'à un certain point nous nous sommes découragés d'engager nos capitaux dans ce secteur.

M. Nielsen: Voulez-vous me permettre de faire un commentaire très bref? Ici, dans le grand Nord, nous cherchons à favoriser les investissements privés pour développer les moyens de transport et, à cause des facteurs politiques impliqués dans cette situation particulière, les investisseurs privés ont disparu en grand nombre.

Le président: On pourrait discuter là-dessus, M. Nielsen mais, je crois que vous devez reconnaître que le capital requis pour installer des moyens de transport dans le nord est venu et continuera à venir de l'investisseur public.

M. Nielsen: Non, je le crains bien.

Le président: Lorsque nous pensons que les services routiers font partie des moyens de transport ...

M. Nielsen: Oui, mais même à cela au sujet des millions que nous avons dépensés pour les routes, monsieur le président, je suis certain que si on fait les calculs, nous n'arriveront jamais aux millions de dollars qu'a investis la Whitepass Yukon depui 1901, au Yukon et à la très grande contribution de ce chemin de fer, au développement du pays, au cours des années peu prospères. Mais en fin ce problème nous regarde.

Le président: J'aimerais poser quelques questions? Combien y a-t-il d'Indiens parmi vos employés?

M. Choate: Nous en avons quatre maintenant.

[*Text*]

The Chairman: Four. How many houses have you supplied?

Mr. Choate: One has acompany home, two are part-time employees in Old Crow, and one lives in Whitehorse and owns his own home.

The Chairman: I must say your record is slightly better than the NCPC who, I believe, have one. Thank you very much. gentlemen, for a very useful session. Your testimony, I think, will be given very serious consideration by the members. I think it certainly would be fair, would it not, Mr. King, for me to say that one of the things you want soon is to have the air cleared and know where you are going to go, and at least have the jurisdictions now and for the next few years outlined for yourselves and for NCPC?

Mr. King: This would be extremely helpful, Mr. Chairman, and I think from the point of view of the electrical consumer, particularly in the Yukon, it is essential.

The Chairman: Thank you, very much.

[*Interpretation*]

Le président: Quatre. Combien de maisons avez-vous données?

M. Choate: L'un a une maison de la compagnie; deux travaillent à temps partiel, l'un vit à Old Crow, l'autre à Whitehorse et le dernier possède sa propre maison.

Le président: Je dois dire que votre rapport est certainement un peu préférable à celui de la CENC qui, je crois, en ont un seul. Merci messieurs pour cette session très utile. Votre témoignage sera examiné très sérieusement par les membres du Comité. Je crois qu'il serait honnête de dire, n'est-ce pas, M. King, que vous voulez savoir très bientôt où vous en êtes, et qu'au moins vous ayez la juridiction maintenant pour pouvoir prévoir pour les prochaines années pour vous-même et la Commission d'énergie du Nord-Canadien.

M. King: Cela serait extrêmement utile, monsieur le président. Je pense qu'en ce qui concerne le consommateur d'électricité, surtout dans le Yukon, c'est l'essentiel.

Le président: La séance est levée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Government
Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY
JUN 23 1969

No. 25

TUESDAY, MAY 20, 1969

LE MARDI 20 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires—Affaires indiennes et Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

20332—1

STANDING COMMITTEE ON
INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT

Chairman — Mr. Ian Watson
Vice-Chairman — Mr. Paul St-Pierre

and Messrs.

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

COMITÉ PERMANENT DES AFFAIRES
INDIENNES ET DU DÉVELOPPEMENT
DU NORD CANADIEN

Président — Vice-Président

et Messieurs

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, May 20, 1969.
(26)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.50 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Dinsdale, O'Connell, Orlikow, St. Pierre and Watson—(7).

Witnesses: From the Department of Indian Affairs and Northern Development: Mr. J. A. MacDonald, Deputy Minister; Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs); Mr. R. F. Davey, Director, Education Branch, (Social Affairs); Mr. O. N. Zakreski, Chief, Vocational Education Division, Education Branch, (Social Affairs).

The Committee proceeded to consider item 5—Administration, Social Program—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Chairman introduced the witnesses. Mr. MacDonald tabled a statement of The Education Program of the Department and commented on it. Later, he tabled a reply to an inquiry which Mr. Orange had made at an earlier meeting. The witnesses were questioned.

Later, it was

Agreed,—To continue discussion of The Education Program at the next meeting of the Committee.

On motion of Mr. Borrie, it was

Agreed,—That the statement of Mr. MacDonald on The Education Program of the Department and the reply to the question of Mr. Orange on The Teacher Training Program in Yellowknife, N.W.T. be printed as appendices to the Minutes

[*Traduction*]

PROCÈS-VERBAL

MARDI 20 mai 1969.
(26)

Le Comité permanent des Affaires indiennes et du développement du Nord canadien se réunit ce matin à 9 h 50, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Dinsdale, O'Connell, Orlikow, Saint-Pierre et Watson—(7).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: MM. J. A. MacDonald, sous-ministre, R. F. Battle, sous-ministre adjoint (Affaires sociales), R. F. Davey, directeur, Division de l'éducation (Affaires sociales), O. N. Zakreski, chef, Division de l'éducation professionnelle, Direction de l'éducation (Affaires sociales).

Le Comité entreprend l'étude du crédit 5—Administration, programme social—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

Le président introduit les témoins. M. MacDonald dépose un document au sujet du programme d'éducation du ministère et le commente. Plus tard il dépose sur le bureau du Comité une réponse à une question posée par M. Orange lors d'une précédente réunion. Les témoins ont été questionnés.

Plus tard, *Il a été convenu*—de continuer la discussion du programme d'éducation lors de la prochaine réunion du Comité.

M. Borrie propose: et *il est convenu*—Que la déclaration de M. MacDonald au sujet du programme d'éducation du ministère et la réponse à la question de M. Orange sur le programme de formation des maîtres à Yellowknife, Territoires du

20332—1½

of Proceedings and Evidence of this day. (*See Appendices "O" and "P".*)

The questioning of the witnesses continuing on motion of Mr. St. Pierre, at 11.00 a.m. the Committee adjourned to Friday, May 23, 1969.

Nord-Ouest, soient imprimées en annexe au procès-verbal et témoignage de ce jour (*Voir Annexes «O» et «P».*)

La période de questions se continuant sur la proposition de M. Saint-Pierre, le Comité s'ajourne à 11 heures du matin jusqu'au vendredi 23 mai 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Tuesday, May 20, 1969

Morning sitting.

• 0949

The Chairman: Gentlemen, I will call the meeting to order. I would like to call Item 5, the Social Program of the Department of Indian Affairs and Northern Development, 1969-70 Estimates. We are pleased to have with us this morning, Mr. J. A. MacDonald, Deputy Minister, Mr. R. F. Battle, Assistant Deputy Minister, (Social Affairs), Mr. R. F. Davey, Director, Education Branch, (Social Affairs), Mr. D. W. Simpson, Assistant Director, Education Branch, (Social Affairs), Mr. O. N. Zakreski, Chief, Vocational Education Division, Education Branch, and Mr. K. Bowles, Assistant Chief, Vocational Education Division, Education Branch.

Mr. MacDonald has indicated that he has a statement to make on the Education Program

• 0950

which with your agreement he wishes to have appended to the minutes of this meeting. Instead of reading it, he will give a summary of it and be prepared to answer questions on it. Mr. MacDonald.

Mr. J. A. MacDonald (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. As you have indicated, as the statement on the education program is lengthy, I would like to just table it. I draw the attention of the Committee to the basic policy, which I will read.

> The principal objective is to ensure that a complete educational program ranging from kindergarten to post-secondary school courses is available to every Indian and Eskimo. This objective is extended to include adult education opportunities for Indian and Eskimo people as well as placement and relocation services to assist these people in competing for employment opportunities on an equal basis with other Canadian citizens.

Then the statement outlines a number of underlying objectives. Among the significant items, the statement points out that enrolment in provincial schools will increase by 5,000 to 38,000, and enrolment in federal schools will decline by 800 to 28,000. We have

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le mardi 20 mai 1969

Le président: Messieurs, la séance est ouverte. Nous allons étudier le crédit nº 5 relatif au programme social du ministère des Affaires indiennes et du Nord canadien, Prévisions budgétaires 1969-1970. Nous sommes heureux d'avoir avec nous ce matin, MM. J. A. MacDonald, sous-ministre, R. F. Battle, sous-ministre adjoint des Affaires sociales, R. F. Davey, directeur, direction de l'Éducation, (Affaires sociales), D. W. Simpson, directeur adjoint, direction de l'Éducation (Affaires sociales), O. N. Zakreski, chef, direction de l'Éducation (Affaires sociales), et K. Bowles, chef adjoint, direction de l'Éducation. M. MacDonald doit nous faire une déclaration sur le programme d'éducation, déclaration qui sera publiée en annexe, avec votre accord, au

compte rendu de la réunion d'aujourd'hui. Au lieu de le lire, il nous en donnera le résumé et répondra ensuite à vos questions si vous en avez. Monsieur MacDonald, vous avez la parole.

M. MacDonald (sous-ministre, ministère des Affaires indiennes et du Nord canadien): Merci monsieur le président. Comme vous avez dit, la déclaration est assez longue; j'aimerais simplement vous la soumettre par écrit. J'aimerais attirer votre attention sur notre politique fondamentale qui, je le crois, peut se définir ainsi:

> L'objectif primordial vise à assurer à tous les Indiens et Esquimaux un programme complet d'éducation s'étendant de la classe maternelle à l'enseignement postsecondaire. Il s'y ajoute un programme de cours d'adultes destinés aux parents indiens et esquimaux ainsi que des services de placement et de réinstallation, le but étant de leur donner l'égalité des chances avec les autres citoyens canadiens sur le marché du travail.

Nous avons ensuite un certain nombre d'objectifs qui sont exposés; parmi les autres questions importantes à signaler, il y a le nombre d'inscriptions dans les écoles qui a augmenté de 5,000 à 38,000 tandis que les inscriptions dans les écoles fédérales ont

[*Text*]

reached the watershed point where the enrolment in provincial schools now exceeds that in federal schools. This has been in a sense a race involving the over-all growth of the Indian school population. Although we have increased the number of children in provincial schools, the population growth has always kept pace and we have been on a 50-50 line for some period of time. We now have swung over and we have more people in provincial schools than in federal schools.

Kindergarten enrolment will increase from 1,500 to 6,500 and in adult education, courses will be offered to some 12,500 students—an increase of 2,500 over the preceding year. Technical and professional training will be provided for 3,200 students, an increase of 600, and we anticipate placing about 6,400 trained persons in employment.

A number of such other facts are in the statement. The essential point I think we would like to make is that some considerable progress is being made. The philosophy of the program is indicated and we have our officers here this morning who can answer questions on this aspect.

On the question of employment, I would like to up-date with a few figures the report I made to the Committee on an earlier occasion. In the year ending March 31, 1969, 844 Eskimo and Indians completed vocational training courses ranging from aircraft mechanics to welding. A large number of these took their training outside the Territories but in the federal schools there were 198 Northern students in Yellowknife, 188 in Churchill and 76 engaged in vocational pursuits in other schools. In 1968-69, 2,853 Indian and Eskimo adults received training in vocational courses, while a further 235 were registered in university, 39 in teacher training programs, 20 in nursing and 36 were registered at university summer schools. The adult education programs, which includes all forms of training to prepare Indian and Eskimo adults for employment leading to an improved standard of living, has shown continual growth.

In 1968-69 over 11,000 adults were enrolled in education programs in their home communities; 3,194 were studying basic literacy and the remainder were on courses in leadership, homemaking, housing, citizenship, cooperative education and so forth. This compares with a figure of 9,159 in the previous year.

[*Interpretation*]

décru de 800 et sont actuellement de 28,000. Nous en sommes au point où les inscriptions dans les écoles provinciales sont plus élevées que dans les écoles fédérales. En un sens c'est une course contre la montre pour suivre l'accroissement général de la population indienne d'âge scolaire. Bien que le nombre d'élèves fréquentant les écoles provinciales soit en augmentation, la croissance de la population indienne s'est poursuivie, à un moment donné nous sommes restés à égalité mais maintenant nous avons plus d'élèves dans les écoles provinciales que dans les écoles fédérales.

Les inscriptions dans les classes maternelles vont passer de 1,500 à 6,500 et dans les classes pour adultes les cours seront offerts à quelque 12,500 étudiants soit 2,500 de plus que l'année précédente. Trois mille deux cents étudiants bénéficieront d'une formation technique ou professionnelle soit 600 de plus que l'an dernier et nous espérons pouvoir trouver un emploi à 6,400 personnes environ. Il y a d'autres faits de ce genre dans la déclaration mais le point essentiel que nous voulons faire ressortir c'est qu'il s'est accompli des progrès considérables. La philosophie du programme est indiquée et nous pourrons répondre à vos questions à ce sujet. Pour ce qui est de l'emploi, j'aimerais mettre à jour le rapport que j'ai présenté auparavant et donner de nouveaux chiffres. Pendant l'année qui prenait fin le 31 mars 1969, 844 Esquimaux et Indiens ont terminé des cours de formation professionnelle, depuis le cours en mécanique aéronautique jusqu'à la soudure. Beaucoup d'entre eux ont été formés en dehors des Territoires du Nord-Ouest, mais dans des écoles fédérales, il y avait 198 étudiants venant du Nord à Yellowknife, 188 à Churchill et 76 étudiaient dans d'autres écoles professionnelles. En 1968-1969, 2,853 Indiens et Esquimaux adultes ont suivi des cours de formation professionnelle, alors que 235 autres suivaient des cours universitaires, 39 des cours d'enseignement pédagogique, 20 des cours de sciences hospitalières et 36 autres suivaient des cours d'été dans des universités. Le programme de formation des adultes qui vise à préparer les Indiens et Esquimaux adultes à des emplois qui leur permettront d'améliorer leur niveau de vie est en croissance constante.

Au cours de l'année 1968-1969, plus de 11,000 adultes ont suivi des cours dans leur propre agglomération, 3,194 ont suivi des cours élémentaires et d'autres ont suivi des cours où on leur apprenait à diriger, à bâtir des maisons, et aussi des cours sur la citoyenneté, l'éducation communautaire, etc. Ce chiffre se compare avec 9,500 pour l'année précédente.

[*Texte*]

The employment and relocation program for adults has as its objective the development of Indians and Eskimos for a wide range of occupations in both urban and rural areas. There are 59 vocational educational counsellors and 33 employment and relocation counsellors.

In the past two years 320 Indians and Eskimos have received training on the job in a wide range of occupations including mill work, sheet metal work, boat building, lacrosse stick making and so forth. In addition to individual contracts for on-the-job training, group placement has also been made with large Canadian companies such as Canadian International Paper Company and the Iron Ore Company of Canada.

An interdepartmental experimental program is being conducted using the computer national systems to train Indians and Eskimos as key-punch operators. This program may be extended if the demand for key-punch operator skills increases.

Indians who have graduated from business or commercial schools and who require actual experience on the job before qualifying for permanent positions in government and industry may receive an in-service training program. During the past year 320 Indian and Eskimo people undertook this training and most of them have proceeded to regular employment.

During the in-service training an allowance covering the cost of room and board, clothing and personal expenses may be paid. Opportunities for employment seem to have increased during the past year since 3,700 Indians and Eskimos were placed in regular employment in a wide range of occupations and trades. In the fiscal year 1967-68, 287 families with 1,087 dependents were relocated and in 1968-69 another 304 families have been relocated. Some families are relocated to areas where there are better opportunities for employment; others remain on the reserve if there is adequate bus service.

Finally, with particular reference to the North, we have continued to liaise with industry on specific job opportunities. In the program referred to earlier in Panarctic we took five young Eskimo men and a trainee in Edmonton; they have worked for some time now on the Melville Island Project and reports indicate that it has been a tremendous success and they are being taken into permanent employment. We have set up an industry-government committee with the petroleum industry to further this kind of employment

[*Interprétation*]

Le programme d'emploi et de réinstallation des Indiens et Esquimaux adultes les prépare à un certain nombre d'emplois dans les régions urbaines et rurales. Il y a 59 conseillers en formation professionnelle et 33 conseillers de placement et de réinstallation.

Ces deux dernières années, 320 Indiens et Esquimaux ont reçu des cours de formation à pied d'œuvre dans des métiers différents. En plus des contrats pour la formation aux cours d'emploi, on a fourni des employés à d'importantes sociétés telle que la CIP et la *Iron Ore of Canada*. D'autres programmes interministériels ont été mis sur pied grâce aux systèmes nationaux d'ordinateurs afin de former des perforateurs indiens et esquimaux et il est probable que ce programme prendra de l'ampleur si la demande continue à s'accroître.

Les Indiens qui sont diplômés des écoles de commerce et d'administration et qui ont besoin d'expérience au cours d'emploi avant de pouvoir occuper des postes permanents dans le gouvernement et l'industrie peuvent bénéficier du programme de formation au cours d'emploi. Pendant la dernière année, 320 Indiens et Esquimaux ont bénéficié d'une telle formation et la plupart d'entre eux ont maintenant un emploi permanent. Pendant la formation au cours d'emploi, on peut accorder une prime pour la chambre et la pension, l'habillement et les dépenses personnels. Au cours de 1967-68, 200 quelques familles ont été réinstallées. Les possibilités d'emploi semblent avoir augmenté pendant la dernière année car 3,700 Indiens et Esquimaux ont occupé des emplois réguliers. Pendant l'année financière 1967-1968, 287 familles (en tout 1,087 personnes) ont été réinstallées et en 1968-1969, 306 autres familles ont été réinstallées quelquefois dans des endroits où les occasions d'emploi sont plus nombreuses. D'autres restent dans les réserves quand le service d'autobus le permet.

Enfin pour ce qui est du Nord, nous avons continué d'avoir des contacts avec l'industrie au sujet de certains emplois. Pour ce qui est du programme subventionné. Panarctic, cinq jeunes Esquimaux et un stagiaire ont été formés à Edmonton, ils y ont travaillé pendant quelque temps aux travaux de l'Ile Melville et selon les rapports, cette expérience a réussi à 100 p. 100 et ces Esquimaux y travaillent maintenant de façon permanente. Nous avons établi un comité mixte comprenant des représentants du gouvernement et de l'industrie

[*Text*]

in the various opportunities which arise, and we had a meeting the other day with the President of the Oil Drilling Contractors Association and set up specific liaison with them so that they will indicate to us a year in advance the various areas where they know they will be moving in drilling rigs.

We will be taking people from those specific areas, providing training at the drilling school up to capacity so that they will be available for opportunities, and the industry has undertaken to see that they have employment following this.

Additionally the Committee may be interested in another aspect of our attempts to provide employment, and more particularly to increase the number of Indian and Eskimo people within our Department. Last winter I wrote personally to every Indian and Eskimo student at university, pointing out to them the possibilities of a career in the service and the desirability of their coming into the Department to help mold policy—of course not only in our Department but in the Public Service as a whole. We did not presume that they would all want to be public servants but we said that if they were interested we would like them to get in touch with us.

We sent 180 letters and 105 replies were received, with only two indicating that they would not be interested. In other words, almost all indicated that they would like to work in the Department under the terms we had outlined. We indicated that we were offering a summer internship program to help follow them through their university careers, and we encouraged them to carry on with their careers. And I am happy to be able to announce that 60 Indian and Eskimo students will be joining our Department for summer employment this year. So we are very encouraged by this reception.

And that, Mr. Chairman, is a brief sektch of the situation in the education and employment and relocation field. It is set out in greater depth in the statement which I have appended.

I should like to conclude by referring to a statement on teacher training program at Yellowknife which Mr. Orange asked about the other day, and with your permission I will table the answer.

The Chairman: Mr. Orlikow has indicated that he has a question.

[*Interpretation*]

pour promouvoir ce genre d'emploi pour les nouveaux emplois qui se créent et nous avons aussi une réunion avec le président de l'Oil Drilling Contractors Association pour qu'il puisse nous indiquer un an d'avance dans quel secteur il se fera des forages.

Nous choisirons le plus possible de personnes de ces endroits pour les former dans les écoles de forage et l'industrie assurera qu'elles aient un emploi après cette année de formation.

En outre, le comité s'intéressera peut-être à un autre aspect de nos tentatives pour fournir des emplois, soit d'accroître le nombre de notre effectif esquimau et indien au sein de notre ministère. L'hiver passé, j'ai écrit personnellement à tous les étudiants indiens et esquimaux dans les universités en leur faisant part des possibilités de carrière à la fonction publique et au sein de notre ministère—en particulier pour établir notre politique—non seulement dans notre ministère mais dans la fonction publique en général. Nous n'avons pas supposé qu'ils voudraient tous nécessairement devenir des fonctionnaires mais nous voulons qu'ils se tiennent en contact avec nous.

Nous avons écrit 180 lettres et nous avons reçu 105 réponses, et 2 seulement ont dit qu'ils n'étaient pas intéressés. En d'autres termes, à peu près tous ont indiqué qu'ils aimeraient travailler au Ministère dans les conditions que nous avions exposées. Nous leur avons offert un programme de cours d'été pendant lequel ils seront pensionnaires pour les aider à finir leurs études universitaires. Je suis heureux de vous annoncer que 60 étudiants esquimaux et indiens seront à l'emploi de notre ministère pendant l'été.

Voilà, monsieur le président, un bref exposé de la situation en matière d'éducation et de réinstallation. L'annexe qui sera jointe à mon exposé donne plus de détails.

J'aimerais maintenant conclure en vous lisant une déclaration au sujet de la formation des enseignants à Yellowknife que demandait M. Orange l'autre jour et avec votre permission, monsieur le président, je voudrais en déposer la réponse.

Le président: Monsieur Orlikow a une question à poser.

[*Texte*]

• 1000

Mr. Orlikow: I would like to begin by trying to follow the lengthy statement which Mr. MacDonald tabled. On the first page Mr. MacDonald said:

> The principal objective is to ensure that a complete educational program ranging from kindergarten to post-secondary school courses, is available to every Indian and Eskimo.

That is a very laudable objective. Can you give us some figures, or if you cannot today, can we get some figures to indicate what percentage of Indians and Eskimos are actually attending schools at various levels?

Mr. MacDonald: I would like to ask Mr. Davey, the Director of the Education Branch, to give those details.

Mr. R. F. Davey (Director, Education Branch, Social Affairs, Department of Indian Affairs and Northern Development): In respect to the over-all population of school age, roughly 95 per cent of the school age population is in school.

Mr. Orlikow: At what level?

Mr. Davey: At the high school level there are roughly 7,000 Indian and Eskimo students out of a total population of some 62,000. This represents about 12 per cent.

Mr. Orlikow: How does the percentage of Indian and Eskimo children who start in kindergarten or grade one, and who get into the secondary school grades, 10, 11, 12, how does that compare with the same percentage of the whole Canadian population who attend schools?

Mr. Davey: About 12 per cent of our Indian and Eskimo population are at the secondary school level, as compared to just over 25 per cent for the general Canadian population.

Mr. Orlikow: That is precisely the question I wanted to get on the record. First of all, how does that percentage, which is only half of the general school population, how does that compare with the percentage who were attending five years ago or 10 years ago?

Mr. Davey: I have the figure for 20 years ago, and it was a fraction of 1 per cent who were at the secondary school level. This is the measure of the distance we have come.

Mr. Orlikow: Has the Department itself, or is the Department getting outside consultants

[*Interprétation*]

M. Orlikow: J'aimerais parler de quelques points particuliers du long exposé de monsieur MacDonald. A la première page je lis:

> «L'objectif primordial vise à assurer à tous les Indiens et Esquimaux un programme complet d'éducation s'étendant de la classe maternelle à l'enseignement post-secondaire».

C'est un objectif très louable. Est-ce que vous pourriez nous fournir des chiffres pour nous indiquer quel pourcentage d'élèves indiens et esquimaux suivent ces cours à chaque niveau?

M. MacDonald: M. Davey, le Directeur de la Direction de l'éducation pourrait nous fournir ces détails.

M. R. F. Davey (Directeur, Direction de l'éducation, Affaires sociales, ministère des Affaires indiennes et du Nord canadien): Pour ce qui est de la population globale d'âge scolaire, environ 95 p. 100 de la population d'âge scolaire est dans les écoles.

M. Orlikow: A quel niveau?

M. Davey: Au niveau secondaire, nous comptons 7,000 élèves indiens et esquimaux sur une population globale de 62,000 ce qui représente environ 12 p. 100.

M. Orlikow: Comment le pourcentage d'Indiens et d'Esquimaux qui commencent au jardin d'enfance ou dans la première année et qui se rendent jusqu'au cours secondaire, 10ième, 11ième et 12ième année, se compare-t-il avec le même pourcentage de toute la population du Canada qui fréquente les écoles.

M. Davey: Environ 12 p. 100 de la population indienne et esquimaude ont atteint le niveau secondaire, comparé à 25 p. 100 pour l'ensemble de la population canadienne.

M. Orlikow: C'est justement la question que je voulais consigner au compte rendu. Premièrement, comment ce pourcentage, qui ne représente que la moitié de la population générale d'âge scolaire du Canada, se compare-t-il à celui d'il y a 5 ou 10 ans?

M. Davey: Il y a 20 ans par exemple, il n'y en avait qu'une fraction de 1 p. 100 qui atteignaient le niveau secondaire. Voilà une expression quantitative des progrès accomplis.

M. Orlikow: Est-ce que le ministère lui-même, ou est-ce que le ministère retient les

[*Text*]

who are experts in education to come up with any of the reasons, either internal or external, for this discrepancy? Has the Department any long-range plans to increase the percentage?

Mr. Davey: Yes, there are a number of reasons. Probably one of the principal factors contributing to this low number who are reaching the secondary level is the difficulty the youngsters have when they are first initiated into the school program. Ten years ago the number in grade one was double the number in grade two, which indicated the failure rate at the grade one level. We have introduced a program of kindergarten instruction, to which the Deputy Minister has made reference, which will enroll roughly 6,500 in 1969-70. This is a little less than half of the children of four and five years of age.

This program is being reinforced in cooperation with the provincial authorities, particularly at the university level, who we have interested in running special programs to instruct not only the teachers, but at the same time Indian women who will assist in the

• 1005

kindergarten program on the reserves. Teachers are receiving special training, and along with them in the same classes, Indian women who are trained to assist them. This is one of the things that we have done.

Mr. Orlikow: Do you have a timetable indicating when you will be able to offer this kindergarten program to nearly every Indian and Eskimo child?

Mr. Davey: Yes. We will never be able to reach 100 per cent of them because many of the communities are quite small and we cannot establish. But we anticipate that in five years time we will have between 75 per cent and 80 per cent of the four and five year olds in kindergarten classes.

Mr. Orlikow: You said one of the reasons why there is such a high drop-out rate at the secondary school level is because of the lack of knowledge of school and its set-up and that is why you are implementing the kindergarten program. I would agree with that, but surely there would be drop-outs far before secondary school, those who just do not fit in.

Mr. Davey: This used to be the case, but this is largely being eliminated now. We do

[*Interpretation*]

services d'experts en éducation, pour expliquer cet écart soit par des raisons internes ou externes? Est-ce qu'il a des projets à longs termes pour accroître ce pourcentage?

M. Davey: Oui, il y a un certain nombre de raisons. La première et peut-être la plus importante qui explique le faible pourcentage qui atteint le niveau secondaire est la difficulté qu'éprouve les jeunes gens lorsqu'ils entrent dans le programme scolaire. Il y a 10 ans, le nombre d'élèves en première année était le double du nombre d'élèves en deuxième année, ce qui indique le nombre élevé de faillites. Nous avons introduit un nouveau programme de jardins d'enfance, auquel le sous-ministre a fait allusion, dans lequel on inscrira quelques 6,500 élèves en 1969-1970. C'est un peu moins que la moitié des enfants qui ont 4 ou 5 ans.

Ce programme sera renforcé de concert avec les autorités provinciales, notamment au niveau universitaire, que nous avons intéressées aux programmes spéciaux pour former non seulement les enseignants, mais aussi les femmes indiennes qui participeront au programmes des jardins d'enfance sur les réserves. Les enseignants bénéficieront d'une formation spéciale, et il y aura en même temps dans les classes, des femmes indiennes formées pour leur aider. C'est une des choses que nous avons réalisé.

M. Orlikow: Est-ce que vous avez un calendrier qui indique à quel moment vous pourrez étendre ce programme des maternelles à presque tous les enfants indiens ou esquimaux?

M. Davey: Oui. On ne pourra jamais atteindre tous les enfants car un bon nombre des collectivités sont trop petites. Mais nous prévoyons que dans 5 ans nous aurons de 75 à 80 p. 100 des enfants de 4 et 5 ans dans les classes de maternelles.

M. Orlikow: Vous avez dit que l'une des raisons pour laquelle il y a tant d'abandons au niveau secondaire, c'est qu'il y a un manque de connaissance du système scolaire et de son organisation, et c'est pourquoi vous mettez en œuvre ce programme de maternelles. J'en conviendrai, mais il y en aura sûrement qui abandonneront bien avant d'atteindre le niveau secondaire, tous ceux qui n'ont pas la capacité voulue.

M. Davey: C'était justement le cas, mais ce problème est éliminé en grande partie main-

[*Texte*]

have drop-outs, about 3,000 who drop out at the elementary school level. This is because they have not reached the secondary school level by the time they have reached 16 years of age and are not compelled. This is 3,000 out of roughly 56,000 or 57,000 at the elementary school level, or roughly about 6 per cent.

Mr. Orlikow: Have you any figures—maybe you cannot give them to us today—on the grade retardation rate, which I understand has in the past been very high?

Mr. Davey: I have not that information with me this morning.

Mr. Orlikow: Can we get that? When we get that, can you tell us what steps the Department is taking or is planning to take in order to try to change this pattern? It is obvious that if you have a student 15 years old in grade four or five instead of in grade nine or ten, there can be a lot of feeling on his part that school is not the place for him to be.

Mr. Chairman, on page three at the top of the page, item 7 of Mr. MacDonald's report, there is reference to pupil residence accommodation. I do not want to rehash, Mr. Chairman, the Akaitcho Hall way of life. I am wondering if the Department, as a result of the questions asked about that, has made a survey of all school residences which come under the jurisdiction of the Department. Can you tell us if there are any more Akaitcho Hall situations, and if there are what you are doing about them?

Mr. MacDonald: Without prejudging Akaitcho Hall or the report on it—you know that the Commissioner looked at that. There have been parent-teacher meetings, and without going into the merits of the controversy that arose in that area, I would like to ask Mr. Davey to take the balance of the question. Are we satisfied there are no problems of this nature?

Mr. Davey: We have particularly looked at the matter of the regulations and we find that Akaitcho Hall was the only residence which had a formal set of regulations.

There were certain regulations prepared in connection with the residence at Churchill, but these had not been adopted. They were of a rather different nature than those at

• 1010

Akaitcho Hall. But other than that, we have not a set of regulations.

[*Interprétation*]

tenant. Il y en a qui abandonnent, environ 3,000 au niveau primaire. C'est justement parce qu'ils n'avaient pas atteint le niveau secondaire à l'âge de 16 ans et qu'ils n'étaient pas obligés de continuer. C'est 3,000 sur environ 56 ou 57,000 élèves au niveau primaire, soit environ 6 p. 100.

M. Orlikow: Est-ce que vous avez des chiffres que vous pourrez nous citer, pas nécessairement aujourd'hui, sur le nombre de redoublants, qui a été très élevé par le passé, je crois?

M. Davey: Je n'ai pas ces renseignements avec moi ce matin.

Mr. Orlikow: Pourriez-vous nous les fournir plus tard et nous dire quelles mesures le Ministère entend prendre pour modifier cette situation? Il est évident que si un étudiant de 15 ans est en 4e ou 5e année au lieu d'être en 9e ou en 10e année, il peut aisément sentir qu'il n'est pas à sa place à l'école.

Monsieur le président, à la page 3, question 7, du rapport de M. MacDonald, il est question de loger les élèves. Je ne veux pas reprendre l'expérience de l'Akaitcho Hall. Je me demande simplement si le Ministère, par suite des questions posées à ce sujet, a fait une enquête de toutes les résidences scolaires qui tombent sous sa compétence. Pourriez-vous nous dire s'il y a d'autres cas comme l'Akaitcho Hall, et, dans l'affirmation, ce que vous faites à ce sujet?

M. MacDonald: Sans préjugés à l'égard de l'Akaitcho Hall et le rapport préparé à son égard, vous savez que le commissaire a étudié cette question. Il y a eu des réunions d'associations de parents et maîtres, et sans m'arrêter aux mérites de la controverse que cette question a suscitée, je demanderais à M. Davey de répondre à l'autre partie de la question. Est-ce que nous sommes convaincus qu'il n'y a pas de problème de ce genre?

M. Davey: Nous avons étudié la question des règlements et nous avons constaté que l'Akaitcho Hall est la seule institution qui avait des règlements.

Un règlement a été préparé pour la résidence à Churchill, mais il n'a pas été adopté. Il était de nature un peu différente de celui de l'Akaitcho Hall. Mais à part cela, nous n'avons pas établi de règlements.

[*Text*]

Mr. Orlikow: Mr. Chairman, I said at the beginning in asking this question that I did not particularly want to debate that question. But it seems to me that there was a fundamental problem which I think the Department has to think about as a result of looking at those regulations. I do not know if the Department was aware, or who in the Department was aware, of what was going on at Akaitcho Hall, but surely the whole purpose of our educational program, as I understand it and as the Department has explained it again and again, is to encourage the Indian and the Eskimo young people to be like the rest of the people of Canada to be able to make their own decisions and to live their own lives. Surely, Mr Chairman, you destroy that possibility when you have a set of regulations for the young people—and they were not that young, they were young people averaging from age 16 to 20—which regulates every minute of their day for 24 hours a day.

Mr. Chairman, that is why I say it is absolutely essential that the Department should look at that and should see that young people—I do not care if they are Indian, Eskimo or white—who live in residential facilities provided by the government of Canada, shall live like young people anywhere else, without being told when they should wipe their noses and so on. This is really what the regulations indicated you all did.

Mr. Davey: Well there is an attempt, of course, to develop in these residences a form of student government. The student council at Churchill, for example, is an elected council. They have a significant part to play in the operation of that particular residence and I expect in other residences as well. Certainly this type of student government we wish to develop.

Mr. Orlikow: Mr. Chairman, we were told that we could get a report later on the grade retardation rate. Could we get a report on the dropout rate at the various age groups showing what the dropout rate is from Grade 1 right through? You cannot really calculate it at kindergarten because we do not have a complete kindergarten program?

Mr. Davey: Yes, I think that can be done. I have information now with respect to the high school group, the area in which the problem is most acute.

Mr. Orlikow: Mr. Chairman, I wonder could we get it...

[*Interpretation*]

M. Orlikow: J'ai dit au début, lorsque j'ai posé la question, que je ne veux pas qu'il y ait un débat particulier à ce sujet. Mais il me semble qu'il y aurait un problème fondamental que le ministère devrait envisager après avoir examiné ces règlements. Je ne sais pas si le ministère ou quelqu'un du ministère était au courant de la situation à Akaitcho Hall, mais il me semble que le but même de notre programme d'éducation est, comme l'a expliqué le Ministère à maintes reprises, d'encourager les jeunes Indiens et les jeunes Esquimaux à être comme tous les autres Canadiens, à être capables de prendre leurs propres décisions et de mener leur propre vie. Il est évident, monsieur le président, qu'on leur enlève cette possibilité lorsqu'on impose toutes sortes de règlements aux jeunes—et ils n'étaient pas si jeunes, d'ailleurs, ils avaient en moyenne de 16 à 20 ans si bien que chaque minute de leur journée est réglementée.

C'est pourquoi, monsieur le président, je dis qu'il est capital que le Ministère étudie la situation et s'assure que les jeunes gens—qu'ils soient indiens, esquimaux, ou blancs—qui vivent dans des résidences fournies par le gouvernement du Canada vivent comme les autres jeunes gens partout ailleurs, sans qu'on leur dise quand ils doivent se moucher, et ainsi de suite. D'après les règlements, c'est ce que vous faisiez tous.

M. Davey: On essaie, bien sûr, d'établir une sorte de gouvernement par les étudiants dans ces résidences. Le conseil des étudiants de Churchill, par exemple, est un conseil élu. Les étudiants jouent un rôle considérable dans l'administration de cette résidence, et d'autres aussi, je suppose. Assurément, nous tenons à établir ce genre de gouvernement par les étudiants.

M. Orlikow: Monsieur le président, on nous a dit que nous aurons plus tard un rapport sur le taux de retard dans le niveau d'études. Est-ce que nous pourrions avoir aussi un rapport sur le taux d'abandon pour les divers groupes d'âge qui permettrait de voir quel est le taux d'abandon à partir de la 1re année? On ne peut pas vraiment calculer ce taux au niveau du jardin d'enfants, car nous n'avons pas de programme complet pour le jardin d'enfants.

M. Davey: Oui, je pense que la chose est possible. J'ai ici des renseignements concernant le niveau du secondaire où le problème est le plus aigu.

M. Orlikow: Monsieur le président, je me demande si nous pourrions obtenir...

[*Texte*]

The Chairman: Mr. Orlikow, would you be satisfied with having the high school dropout rate?

Mr. Orlikow: Could we have a lump figure on the pre-high school grades? I do not want to create too much work, but on the other hand I would like to know what the dropout rate is between Grade I and Grade 9 or 10 if it is significant.

Mr. Davey: I do not have that information this morning.

Mr. Orlikow: I am not really worried about having it this morning, Mr. Chairman, but I would like to get this on the record at some point.

Mr. Davey: Are you interested in the high school dropout rate?

Mr. Orlikow: Oh, yes, I certainly am.

Mr. Davey: On the basis of the studies that we have done for 1964-65 and for 1965-66, the numbers of Indians who left the school, expressed in percentages in 1964-65—I beg your pardon, the figures that I can give you are the figures relating to the enrolment in grade 9 as compared with the Canada figure for grade 9.

In 1964-65, there were 4.8 per cent of the total Indian school population in Grade 9 as compared with 7.6 for Canada. In 1965-66, the percentage of the Indian enrolment in Grade 9 as compared with the total enrolment was the same, 4.8, as compared with 7.7 for Canada. In 1967-68, the percentage of enrolment in Grade 9 for the Indian population was 5.02 per cent, as compared to 7.9 for Canada. The 1968-69 figures are not yet available. So there was an improvement percentage-wise.

• 1015

Mr. Orlikow: Mr. Chairman, this is not directly in terms of young people's education, but on page 6 of this report you speak of the problem of the number of Indians who do not have the lowest level of education necessary in order to get into some of the job training programs. I wonder what discussions the Department is having with the Manpower Department to see whether special programs can be evolved.

Mr. Davey: Yes, we have had a number of discussions with the Department of Manpower on this particular topic. Indeed, a number

[*Interprétation*]

Le président: Monsieur Orlikow, vous contenteriez-vous du taux d'abandon au niveau du secondaire?

M. Orlikow: Pourrions-nous avoir un chiffre global pour les classes primaires? Je ne voudrais pas créer trop de difficultés, mais, d'autre part, j'aimerais savoir quel est le taux d'abandon entre la 1re et la 9e ou 10e années, s'il est important.

M. Davey: Je n'ai pas ces renseignements ici ce matin.

M. Orlikow: Je ne tiens pas particulièrement à avoir ces renseignements ce matin, monsieur le président, mais j'aimerais qu'à un moment ou l'autre ce soit porté au compte rendu.

M. Davey: Est-ce que le taux d'abandon au niveau du secondaire vous intéresse?

M. Orlikow: Certainement.

M. Davey: D'après les études que nous avons faites pour les années 1964-1965 et 1965-1966, le pourcentage d'Indiens qui ont quitté l'école en 1964-1965... Non, pardon; les chiffres que je vais vous donner sont ceux de l'inscription en 9e année par rapport au chiffre pour la 9e année pour tout le Canada.

En 1964-1965, il y avait en 9e année 4.8 p. 100 de la population scolaire indienne totale, par rapport à 7.6 p. 100 pour le Canada. En 1965-1966, le pourcentage d'Indiens inscrits en 9e était le même, soit 4.8 p. 100, et le pourcentage équivalent pour le Canada en général était de 7.7 p. 100. En 1967-1968, le pourcentage d'inscription en 9e année par rapport à l'ensemble de la population scolaire indienne était de 5.02 p. 100, alors qu'il était de 7.9 p. 100 pour le Canada. Nous n'avons pas encore les chiffres pour l'année 1968-1969. Il y a donc eu une amélioration en ce qui concerne le pourcentage.

M. Orlikow: Monsieur le président, il ne s'agit pas là directement de l'éducation des jeunes, mais, à la page 6 du rapport, on parle du problème des nombreux Indiens qui n'ont pas le minimum d'instruction nécessaire pour avoir accès à certains des programmes de formation professionnelle. Je me demande quels entretiens a le Ministère avec le ministère de la Main-d'œuvre pour voir s'il est possible de créer des programmes spéciaux.

M. Davey: Nous avons eu un certain nombre d'entretiens avec le ministère de la Main-d'œuvre à ce sujet. En fait, il y a maintenant

[*Text*]

of programs are now being operated on reserves, which will provide a grading to the point where the adult will have the prerequisites for admission to vocational training programs. The number enrolled in this particular program in 1968-69 was just over 3,000.

Mr. Orlikow: Is the Department taking any steps to look at some of the programs which have been devised in recent years in the United States to meet this problem? Mr. Chairman, I am told for example that the United Automobile Workers have begun a program for hard-core unemployed in which they found that people did not come to work on time, because they had never learned to tell the time on a watch. They are even doing that. Now if you get people who do not know how to tell the time on a watch, obviously they cannot fit into our urban kind of job society. I am wondering have we really looked at what they are doing? They have somewhat different problems, but they do have a very great problem in the field of under educated people.

Mr. Davey: Yes, Mr. Chairman, we have been looking at this. Indeed, we have visited some of the programs which are offered in the States, particularly the program offered at Madera, California which is operated on behalf of the Bureau of Indian Affairs by the Philco-Ford people. We have looked at the program that is run in Roswell, which I believe is in New Mexico, and which is operated by the Thiokol Corporation also on behalf of the Bureau of Indian Affairs.

A third program is run for the Bureau by the RCA people in Mississippi. We have also had discussions with the Alberta Indian Association in respect to offering this kind of program in Alberta. We are waiting for comments from the Alberta Indian Association. We have proposed to them a program which could be conducted in property that is available to us in Alberta for this type of program.

Mr. Orlikow: Mr. Chairman, on page 7, paragraph 3 mentions that where training allowances are provided—I presume that is

• 1020

for adults—there is an improvement of 21 per cent in retention in courses. How extensive a program of training allowances have you been able to start up to this point?

[*Interpretation*]

dans les réserves un certain nombre de programmes qui donneront aux adultes l'instruction nécessaire pour avoir accès aux cours de formation professionnelle. Le nombre des Indiens inscrits à ce programme particulier en 1968-1969 était d'un peu plus de 3,000.

M. Orlikow: Est-ce que le Ministère prend des mesures pour étudier certains des programmes qui ont été mis au point récemment aux États-Unis pour faire face à ce problème? Monsieur le président, on me dit, par exemple, que la *United Automobile Workers* a mis sur pied un programme à l'intention des chômeurs invétérés, et que l'on a découvert que si les gens n'arrivaient pas à l'heure au travail, c'était parce qu'ils n'avaient jamais appris à lire l'heure sur une montre. Il est évident que les gens qui ne savent pas lire l'heure sur une montre ne peuvent s'adapter à notre société ouvrière urbaine. Je me demande si nous avons vraiment étudié ce qui se fait aux États-Unis? Ils ont des problèmes un peu différents, mais ils ont vraiment un problème très grave en ce qui concerne les gens dont l'instruction est insuffisante.

M. Davey: Oui, monsieur le président, nous avons étudié tout cela. En fait, nous nous sommes rendus sur les lieux pour voir certains des programmes qui sont offerts aux États-Unis, et en particulier le programme qu'offre la Philco-Ford à Madera, en Californie, au nom du Bureau des affaires indiennes. Nous avons aussi étudié le programme qu'offre à Roswell, au Nouveau-Mexique, je crois, la *Thiokol Corporation,* aussi au nom du Bureau des affaires indienes.

Il y a un troisième programme qu'offre la R.C.A. au Mississippi, toujours au nom du Bureau des affaires indiennes. Nous avons aussi eu des entretiens avec l'Association des Indiens de l'Alberta en vue d'offrir ce genre de programme en Alberta. Nous attendons l'opinion de l'Association des Indiens de l'Alberta. Nous avons proposé un programme qui pourrait être organisé dans des emplacements en Alberta que l'on met à notre disposition pour ce genre de programme.

M. Orlikow: Monsieur le président, au paragraphe 3 de la page 7, on mentionne que là où l'on accorde des allocations de forma-

tion—je suppose qu'il s'agit des adultes—il y a une amélioration de 21 p. 100 dans la persévérance dans les cours. Jusqu'à présent, de quelle étendue est le programme d'allocations de formation que vous avez pu mettre sur pied?

[*Texte*]

Mr. Davey: Most of our programs, of course, are conducted for us by the Department of Manpower. We provide programs only where we are not able to secure services through the Department of Manpower. A number of Indian people do not have the prerequisites for admission to some of their programs. To make up that deficiency, we operate our own programs. "Operate our own programs" is perhaps misleading; if we cannot get it from Manpower, we try to buy service from the provincial department of education. The allowance structure for programs which were conducted on the reserves were not at the same level as the Manpower allowance scheme. The proposal is to bring them up to the same level.

Mr. Orlikow: You are talking about amounts.

Mr. Davey: Amounts, that is right.

Mr. Orlikow: That is not the question I am asking. When you talk about an improvement of 21 per cent I read it as a better result when people are on a training allowance than when they are on welfare. The question I am asking is how many people are getting that kind of training allowance?

Mr. Davey: I am not able to answer that question this morning.

Mr. Orlikow: Is there a shortage of funds for that? I know there is a shortage of funds for everything, Mr. Chairman, but it seems to me this is one of our basic problems. If a person is on welfare, one of the reasons he is on welfare is because he does not have the education to fit him for a job. We can assume he is going to be on welfare almost for the rest of his life. It seems to me that is really a disaster in a personal way for the people concerned and in a financial way for the people of Canada who have to pay for that welfare. If we can show a very substantial improvement in the opportunity to get jobs by training programs and by training allowances—living allowances while they are taking training—I would submit, Mr. Chairman, that this is something we ought to encourage even if something else has to go by the board.

Mr. MacDonald: Mr. Chairman as the statement says, that is what we are trying to do.

Mr. Orlikow: Can we get some figures at a later date on how this program is being expanded? How does the program this year and the amount this year compare with what we were doing three years ago? Also, what

[*Interprétation*]

M. Davey: Bien sûr, la plupart de nos programmes sont dirigés pour nous par le ministère de la Main-d'œuvre. Nous n'organisons de programmes que lorsque nous ne pouvons pas obtenir ces services du ministère de la Main-d'œuvre. Bon nombre d'Indiens n'ont pas l'instruction nécessaire pour avoir accès à certains des programmes. Pour surmonter cet obstacle, nous organisons nos propres programmes. Nous n'organisons pas exactement nos propres programmes; si nous ne pouvons pas obtenir ces services du ministère de la Main-d'œuvre, nous nous adressons au ministère compétent au niveau provincial. La structure des allocations pour des programmes entrepris sur les réserves n'est pas au même niveau que les subventions d'études versées par le Ministère de la Main-d'œuvre. On propose de les mettre au même niveau.

M. Orlikow: Vous parlez des montants.

M. Davey: Oui, c'est cela.

M. Orlikow: Ce n'est pas la question que je pose. Quand on parle d'une amélioration de 21 p. 100, d'après ce que je comprends, c'est une amélioration quand il s'agit de formation et non d'assistance sociale. Combien de personnes reçoivent ces allocations, voilà ma question.

M. Davey: Je ne peux pas répondre ce matin.

M. Orlikow: Est-ce qu'il y a manque de fonds? Je sais qu'il y a toujours un manque de fonds, mais il me semble que c'est là un de nos problèmes fondamentaux. Si une personne reçoit les allocations de bien-être, c'est parce qu'elle n'a pas l'instruction qu'elle devrait avoir. Nous pouvons supposer qu'elle restera dans cette situation toute sa vie. C'est là un désastre personnel pour les personnes intéressées et un désastre financier pour les Canadiens en général, qui doivent payer ces allocations sociales. Si nous pouvions améliorer les possibilités d'emploi par ces programmes de formation et des subventions d'étude, et en plus des allocations qui permettraient de vivre pendant la formation, voilà quelque chose que nous devrions encourager même s'il faut laisser tomber autre chose.

M. MacDonald: C'est ce que nous essayons de faire, comme le dit la déclaration.

M. Orlikow: Est-ce qu'on pourrait avoir les chiffres, pour voir comment se développe ce programme? Nous pourrions voir le programme et le montant de cette année et le comparer à ce qui existait il y a trois ans. Quelles

[*Text*]

are the projected improvements, let us say, for the next three years?

Mr. MacDonald: We can certainly give you the past record and attempt to project it.

Mr. Davey: This does not segregate between the numbers who receive training under the auspices of Manpower; people whom we may have referred to Manpower or made arrangements through Manpower for programs to be offered. In other words it is a global figure.

Mr. Orlikow: Have we got a record on how many they have approximately?

Mr. Davey: This can be obtained, although we do not have it here this morning.

Mr. Orlikow: I am not too concerned, Mr. Chairman, with who does it. I am concerned with whether it is being done or not.

Mr. Davey: The numbers in 1967-68 who received this basic upgrading, this literacy training, were 2,500. The exact figure in 1967-68 is 2,598. This had gone up in 1968-69 to 3,194, and we anticipate that this will go up to over 5,000 in 1969-70. This does not include the other types of adult education programs.

Mr. Orlikow: On page 9, Mr. Chairman, the first item reads:

> 1. Selected Indian adults will be given a basic teacher training course and on completion of training they will be employed to organize and conduct adult basic classes on their reserves.

• 1025

I think this is an excellent idea. Can you tell us how extensive that program is? Has that program started yet?

Mr. Davey: Yes, the program has started and it was initiated in co-operation with the extension division of the University of Saskatchewan. It started last fall. I am not able to give an assessment of how effective it is.

Mr. Orlikow: How many were in that program? Can you tell us?

Mr. Davey: We can get that information, but I have not got it this morning.

Mr. Orlikow: What is the minimum education qualifications for people who are taking that program?

Mr. Davey: I think I had better ask Mr. Zakreski to answer that question.

[*Interpretation*]

sont les améliorations prévues pour les trois années à venir?

M. MacDonald: Nous allons certainement vous donner les chiffres pour les années antérieures, et les prévisions.

M. Davey: Cela ne fait pas la distinction entre les personnes que le Ministère forme et celles que le Ministère a orientées vers d'autres programmes. Le chiffre est global.

M. Orlikow: Avons-nous ce nombre?

M. Davey: Oui, nous pouvons l'obtenir. Nous n'avons pas cela ici ce matin.

M. Orlikow: Monsieur le président, je ne veux pas savoir qui le fait, mais si ça se fait ou non.

M. Davey: Le nombre de personnes qui ont en 1967-1968 reçu cette alphabétisation est de 2,500. En 1967-1968, exactement 2,598. En 1968-1969, 3,194 et nous pensons que ce chiffre passera à plus de 5,000 en 1969-1970. Ceci n'inclut pas les autres programmes d'éducation pour adultes.

M. Orlikow: A la page 9, paragraphe 1, on lit:

> 1. Nous choisirons des Indiens adultes en vue de leur donner une formation pédagogique de base. Ils seront ensuite employés à organiser et à prendre charge des classes d'enseignement élémentaire pour les adultes dans leurs réserves.

C'est une excellente idée. Pourriez-vous nous dire quelle est l'étendue de ce programme. Est-ce que ce programme est déjà commencé?

M. Davey: Oui, ce programme est déjà commencé. Il a été entrepris en coopération avec le département de l'extension de l'université de la Saskatchewan. Il a commencé l'automne dernier. Je ne puis vous dire s'il est efficace.

M. Orlikow: Combien de personnes y participaient, pouvez-vous nous dire?

M. Davey: Oui, nous obtiendrons ces renseignements; je ne les ai pas ce matin.

M. Orlikow: Quel est le minimum d'instruction requis pour participer à ce programme?

M. Davey: Il vaut mieux demander à M. Zakreski de répondre à cette question.

[*Texte*]

Mr. O. N. Zakreski (Chief, Vocational Education Division, Education Branch, (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, there are really two regions where we are trying the program of employing Indian instructors. Mr. Davey made reference to one which has been in operation for a year now. This one is concerned mainly with homemaker training. The extension division trains Indian women and then they go out on the reserves and organize classes. There is no particular prerequisite for this program. Any lady on the reserve who is interested in this program can enrole in it.

The other one is a program of academic upgrading that we are trying in Manitoba where we have trained, I think, 25 native instructors. This one has not become operational as yet. We have completed the training phase with the instructors. They have gone back to the reserves now and they are just in the process of setting up programs. This will be a basic literacy program that again will have no prerequisite for enrolment but we hope to upgrade the people sufficiently that they can then go from this program to the regular programs that Manpower and other agencies operate.

Mr. Orlikow: They will be teaching adults?

Mr. Zakreski: That is right.

Mr. Orlikow: That is what you are referring to in point 2 on the same page?

Mr. Zakreski: Yes.

Mr. Orlikow: Paragraph 4 reads:

> 4. A Departmental program to train more Indian people for responsible positions within our service will be undertaken.

Do you mean by that responsible positions in the educational section or just in the whole Department of Indian Aflairs and Northern Development.

Mr. MacDonald: The whole Department of Indian Affairs and Northern Development.

Mr. Orlikow: Has that started yet?

Mr. MacDonald: Yes. I made reference to that, Mr. Orlikow, in my statement. It is twofold. First, we have contracted, as I indicated, all students at university and have had a very gratifying reply and 60 Indian and Eskimo students will join our Department in intern training this summer. Beyond that we

[*Interprétation*]

M. Zakreski (Chef, division de la formation professionnelle, Direction de l'éducation, Affaires sociales, ministère des Affaires indiennes et du Nord canadien): Il y a deux régions où nous tentons de mettre en vigueur ces programmes, monsieur le président, soit d'employer des instructeurs indigènes. M. Davey en a mentionné une, où le programme fonctionne depuis un an. C'est surtout un cours de formation ménagère. La division de l'extension forme des femmes indigènes qui se rendent sur les réserves et y organisent des cours à leur tour. Il n'y a pas de conditions préalables, n'importe quelle femme de la réserve qui s'intéresse à ce cours peut participer.

L'autre programme est un programme de rehaussement du niveau d'instruction que nous essayons au Manitoba; nous avons formé 25 instructeurs indigènes. Celui-ci ne fonctionne pas encore. Les instructeurs ont regagné les réserves et terminent l'étape de formation. C'est un programme d'alphabétisation de base qui n'aura pas de conditions préalables. On veut simplement aider les gens à combler le retard pour qu'ils puissent ensuite accéder aux autres programmes du ministère de la main-d'œuvre.

M. Orlikow: Va-t-on enseigner aux adultes?

M. Zakreski: Oui.

M. Orlikow: C'est ce dont vous parlez à l'article 2, à la même page?

M. Zakreski: Oui.

M. Orlikow: Au paragraphe 4, on lit:

> 1. Il y aura un programme d'établi par le ministère pour former plus d'Indiens pour des postes de confiance dans nos services.

Parle-t-on de postes à la Direction de l'éducation ou dans l'ensemble du ministère des Affaires indiennes et du Nord canadien?

M. MacDonald: Tout le ministère.

M. Orlikow: A-t-on commencé?

M. MacDonald: Oui, j'en ai parlé tout à l'heure. Il y a deux parties. D'abord nous nous sommes mis en communication avec les étudiants à l'université, et nous avons reçu de nombreuses réponses. Soixante étudiants Esquimaux et Indiens doivent venir travailler au ministère cet été. De plus, il y aura un

[*Text*]

have a very extensive program to increase recruitment throughout the country on a long-term basis which will include these people and other people we have not yet contacted. We will encourage people to continue their education to the greatest possible degree and then to try to find employment at every level within the Department. Once within the Department they will become a regular part of our junior administrative officer, junior executive officer training programs which happen to be fairly good programs. They are well regarded within the public service on a non-Indian basis.

Mr. Orlikow: Do we know how many Indian and Eskimo young people are attending Canadian universities?

Mr. MacDonald: We have a reasonably good idea. We have a fairly good record; it may not be exhaustive. I indicated we sent letters to 180 students.

Mr. Davey: During the academic year that has just finished there were 235 at universities, 38 in teacher colleges and 20 in nursing. This is compared to 225 last year.

Mr. Orlikow: In other words there are roughly 300 Indian and Eskimo young people

• 1038

attending universities, teacher colleges and nursing training?

Mr. Davey: Right.

Mr. Orlikow: Do we have any figures on post-secondary technical training? I presume that if there is better there.

Mr. Davey: Yes. We have 2,119 in vocational training, which is actual skill training. There is also another 1,400 in pre-vocational training, which is the type of training that Manpower offers in order to bring them up to the level where they can take specific skill training.

Mr. MacDonald: I would like to elaborate a bit, Mr. Orlikow, in my reply to you about whether the people we are talking about were within the educational program of the Department as a whole. For example, the 60 Indian and Eskimo students, who are joining us this summer, will be working in all aspects of the Department, including the Wildlife

[*Interpretation*]

programme de recrutement intense dans tout le pays. Nous allons encourager les gens à poursuivre leur éducation le plus longtemps possible et nous allons leur trouver de l'emploi. Une fois qu'ils seront au ministère, ils feront partie de nos programmes de formation pour les cadres, qui sont de très bons programmes. On les apprécie beaucoup, partout dans la fonction publique.

M. Orkilow: Savons-nous combien d'Indiens et d'Esquimaux étudient dans des universités canadiennes?

M. MacDonald: Nous en avons une idée assez bonne. Nous avons expédié 180 lettres.

M. Davey: Au cours de l'année scolaire qui vient de se terminer, nous avions 235 indigènes dans des universités, dont 38 dans des collèges d'enseignement, et 20 dans des écoles d'infirmières. L'année dernière nous n'en avions que 225.

M. Orlikow: En d'autres termes, il y a environ 300 jeunes Indiens et Esquimaux qui étudient à l'université ou dans des écoles normales ou d'infirmière?

M. Davey: Exactement.

M. Orlikow: Avons-nous des chiffres sur les écoles de formation professionnelle post-secondaire? Je suppose que c'est mieux là-bas.

M. Davey: Oui, nous en avons 2,119 qui suivent des cours de formation professionnelle, ce qui constitue en fait une formation pratique. Il y a également 1,400 autres qui suivent des cours de préparation à la formation professionnelle, un genre de cours semblable à celui qui est offert par le ministère de la Main-d'œuvre et qui doit les amener à un niveau qui leur permettrait de suivre des cours de formation pratique.

M. MacDonald: Monsieur Orlikow, j'aimerais m'étendre un peu au sujet des personnes dont nous parlons, pour savoir si elles faisaient partie du Programme de formation au sein du Ministère dans son ensemble. Par exemple, les 60 étudiants indiens et esquimaux qui se joindront à nous cet été, travailleront dans les différentes branches du Minis-

[*Texte*]

Service, and the Parks Branch. Every branch has sought some of these people.

Mr. Orlikow: Mr. Chairman, I would like to take a few moments to discuss, very briefly at this time, the question of the problems of teachers who work for the Department.

The Chairman: Mr. Orlikow, there are several other questions. May we come back to you? Mr. Borrie is next on the list.

Mr. Borrie: Yes, Mr. Chairman. My questions are mainly related to the recent decision of the Department to turn over the education of Indians to the Province of British Columbia. I understand that it is to become the responsibility of the province to educate Indian children, and I would like to know when this program becomes effective.

Mr. Davey: I think that there is a misunderstanding here. Recently an agreement was entered into with the Province of British Columbia which provided for this Department, instead of making its arrangements directly with the school boards, to make its arrangements with the Province of British Columbia. It provided for the Indian people, if they chose to send their children to the provincial schools, to have the right to do so. However, the agreement does not make provision for the transfer of all the education to the Province of British Columbia on a specific date. It is dependent upon the desire of the Indian parents. This is a prerequisite to any transfer. In two cases, at Bella Bella and at Seton Lake, the Indian community asked that its community be incorporated into the provincial school district. This application is now before the province. The agreement does not provide for a transfer on a specific date.

Mr. Borrie: If the Indian parents are allowed to send their children to a public school or an independent school, why is it that the independent schools have had to enter into a two-year agreement with the Province of British Columbia?

Mr. Davey: I have no knowledge of this.

Mr. Borrie: I have a copy of the contract. If you may recall, one of your Department officials from around Prince George or the Stuart Lake reserve, was at a meeting in Fort St. James. The Department was taken over the coals, rather heatedly, by the Indian parents because they were not consulted prior to this arrangement. Why would the Indian

[*Interprétation*]

tère, notamment, le Service de la Faune et la Direction des parcs. Chaque division a voulu avoir quelques-uns de ces étudiants.

M. Orlikow: M. le Président, j'aimerais parler brièvement de la question des enseignants qui travaillent pour le compte du Ministère.

Le président: Pour être juste, il y a beaucoup d'autres membres qui veulent poser des questions, nous reviendrons à vous plus tard. M. Borrie est le suivant sur la liste.

M. Borrie: Oui monsieur le président, mes questions se rapportent principalement à la décision récente du ministère de remettre l'éducation des Indiens entre les mains de la province de la Colombie-Britannique. Si je comprends bien, c'est la province qui se chargera de l'éducation des petits Indiens, et j'aimerais bien savoir quand ce programme entrera en vigueur.

M. Davey: Je crois qu'il y a un malentendu ici. Un accord est intervenu dernièrement avec la province de la Colombie-Britannique lequel prévoyait que ce Ministère devrait s'entendre avec la Colombie-Britannique au lieu de s'arranger directement avec les commissions scolaires. Cet accord donnait le droit aux Indiens d'envoyer leurs enfants aux écoles provinciales, si tel est leur choix, sans toutefois spécifier une date pour le transfert de tous les aspects de l'éducation aux autorités de la Colombie-Britannique. Cela dépend de ce que veulent les parents indiens. C'est une condition préalable à tout transfert. A deux occasions, à Bella Bella et à Seton Lake, les Indiens ont demandé que leur collectivité soit incorporée au district scolaire provincial. La province étudie présentement la demande, mais l'accord ne prévoit pas un transfert à une date précise.

M. Borrie: Puisque les parents indiens ont le droit d'envoyer leurs enfants à une école publique ou à une école indépendante, comment se fait-il que les écoles indépendantes ont dû conclure un accord de deux ans avec la province de la Colombie-Britannique?

M. Davey: Je n'ai aucune connaissance du fait.

M. Borrie: J'ai la copie du contrat. Si vous vous en souvenez bien, un de vos fonctionnaires venant de Prince George ou de la réserve de Stuart Lake, a assisté à une réunion qui s'est tenue à Fort St. James. Le Ministère s'est fait engueuler assez vertement par les parents indiens parce qu'ils n'avaient pas été consultés au préalable au sujet de cet arran-

[*Text*]

parents be so indignant if they were still allowed the opportunity of sending their children to independent schools?

Mr. Davey: The situation in that particular locality is that there were a number of Indians who were not residing on reserves or Crown land, but on church land. The Act

• 1035

specifies that the sections of the Indian Act which deal with education only apply to Indians who are residing on reserves or federal or provincial Crown land. There was no change in policy at all.

Mr. Borrie: I will investigate it a little further, because it just does not seem to add up to the impressions that the people in the Prince George and Fort St. James area have. There is quite a concern that the Province of British Columbia does not recognize or offer financial assistance to independent schools. The concern of the Indian people in British Columbia is that they will be forced to attend public schools against their will.

Mr. Davey: At Fort St. James, there are two groups of Indians. First, there are those who are living on the Necoslie reserve at Fort St. James, and secondly there is another group who have established themselves on land which is not Crown land, or reserves. I think that it was with regard to this latter group that the controversy arose.

Mr. Borrie: So, there is absolutely no agreement between the Department of Indian Affairs and Northern Development and the Province of British Columbia with respect to the education of Indian children?

Mr. Davey: Oh, no, there is certainly an agreement, but it does not provide for the transfer of all of Indian education to the province on a particular date.

Mr. R. F. Battle (Assistant Deputy Minister, Social Affairs, Department of Indian Affairs and Northern Development): I think, Mr. Chairman that we should make a copy of the agreement available for the Committee.

Mr. Borrie: I have a copy here and it says:

> and whereas it is desirable that Indian children residing in the province of British Columbia be provided with education in accordance with applicable provincial legislation, regulations, orders and instructions governing the education in the said province...

[*Interpretation*]

gement. Pourquoi les parents indiens seraient-ils si indignés, s'ils avaient encore l'occasion d'envoyer leurs enfants à une école indépendante.

M. Davey: La situation dans cette localité, est qu'il y a un certain nombre d'indiens qui n'habitaient pas les réserves ou les terres de la couronne, mais résidaient sur les terres de l'église. La Loi prévoit que les articles de la Loi sur les indiens qui porte sur l'éducation ne s'appliquent qu'aux Indiens qui vivent dans les réserves ou dans les terres de la couronne. Il n'y a eu aucun changement dans la politique du Ministère.

M. Borrie: Je crois que je devrais me renseigner un peu plus car j'ai eu l'impression que cela ne correspond pas à ce que pensent les gens de la région de Prince George et de Fort St. James.

On s'inquiète beaucoup du fait que la Colombie-Britannique ne reconnaît pas ou n'offre pas d'aide financière aux écoles indépendantes. Le peuple indien en Colombie-Britannique s'inquiète de se voir un jour forcé de fréquenter les écoles publiques.

M. Davey: Il y a deux groupes d'indiens à Fort St. James. D'abord, ceux qui vivent dans la réserve Necoslie, à Fort St. James, puis un autre groupe qui s'est établi sur des terres qui ne sont pas des terres de la couronne ou des réserves. Je crois que c'est à l'égard de ce dernier groupe que la controverse est née.

M. Borrie: Par conséquent, vous voulez dire qu'il n'y a pas d'entente entre le ministère des Affaires indiennes et du Nord canadien et la province de la Colombie-Britannique au sujet de l'éducation des enfants indiens?

M. Davey: Non, il y a certainement une entente, mais elle ne prévoit pas le transfert de tous les services d'éducation des Indiens à la province à une date précise.

M. R. F. Battle (Sous-ministre adjoint—Affaires sociales—ministère des Affaires indiennes et du Nord canadien): Je crois que nous devrions fournir au Comité un exemplaire de l'accord.

M. Borrie: J'ai un exemplaire ici, et il y est écrit que:

> Il est souhaitable que les enfants reçoivent une instruction conforme aux lois, règlements, ordonnances et directives applicables, régissant l'éducation dans ladite province...

[*Texte*]

And then it goes on with a number of other whereases.

> Unless the context otherwise requires, in this Agreement: "Indian children" means the children who are Indians as defined in the "Indian Act" of Canada...

Which would cover "on reserve," is that correct? Therefore, the agreement has been made to educate Indians in the Province of British Columbia in the public school system or the system of education in the Province of British Columbia for "on reserve" children. Will they be given the opportunity to choose the school of their parents' choice? It does not seem as if it is. This may be contradictory to the over-all policy which the Department has.

Mr. Davey: I think you will find that the agreement is in accord with the over-all policy, and that it provides for the extension of provincial services only where the Indian people choose to have this service extended to them.

Mr. MacDonald: I think, Mr. Borrie, that this agreement must be seen in the context of the over-all government policy which is to move out of the directly operated federal Indian schools. Over-all objective has been that the children will enter into "the provincial school system". It is only in that context that this agreement prevails. However, it has the clause in it that if the parents do not consent then the agreement is inoperative.

Mr. Borrie: Why has this information not been made available to the Indian people and to those people of the independent schools who are quite concerned with this? I believe that representation was made within the last couple of months in an effort to try and gain this information from the Department. The Indian people in that area are very upset because of the arbitrary fashion in which the Department has proceeded with the agreement with the Province of British Columbia.

Mr. Davey: We have had a number of representations from Indian people and church authorities. Every letter has been answered, or is in the process of being answered.

Mr. Borrie: The over-all policy might look a little different to me than it does right now. I am not in a position of being able to say that the Department is right in its outlook towards this if the Indian people are not going to be given a chance of sending their

[*Interprétation*]

Et ça continue avec un certain nombre d'attendus.

> A moins que le contexte ne l'exige autrement dans le présent accord: On entend par «Enfants indiens» les enfants qui sont indiens tels que définis dans la Loi sur les Indiens du Canada...

Qui comprendrait ceux qui sont dans la réserve, n'est-ce pas? Par conséquent l'accord a été conclu en vue d'instruire les Indiens dans la province de la Colombie-Britannique, selon le système d'écoles publiques ou le système d'instruction dans la province de la Colombie-Britannique pour les enfants qui habitent la réserve. Auront-ils la possibilité de fréquenter l'école choisie par leurs parents? Il ne semble pas que c'est le cas. Ceci est peut-être contraire à la politique du Ministère.

M. Davey: Je crois que l'accord ne contredit pas notre politique globale et vous verrez que cette politique prévoit que les services provinciaux soient fournis aux Indiens qui en font la demande.

M. MacDonald: Monsieur Borrie, je crois qu'il faut envisager la situation dans le contexte de la politique gouvernementale qui est de se retirer des écoles indiennes administrées directement par le gouvernement fédéral. L'objectif d'ensemble consiste à intégrer les enfants au système scolaire provincial. C'est uniquement dans ce contexte que cet accord est valable. Cependant, l'accord contient une clause qui le rend caduc si les parents s'y opposent.

M. Borrie: Pourquoi n'a-t-on pas fourni ces renseignements aux indiens et à ceux qui fréquentent les écoles indépendantes? Je crois que ces quelques derniers mois, les gens ont essayé d'obtenir ces renseignements du Ministère. Les indiens de la région sont très bouleversés de la façon arbitraire dont le Ministère a conclu cet accord avec la province de la Colombie-Britannique.

M. Davey: Nous avons eu des instances de la part des indiens ainsi que de la part des autorités ecclésiastiques. On a répondu à chacune des lettres reçues.

M. Borrie: Cette politique globale pourrait me paraître quelque peu différente à l'heure actuelle, mais je ne suis pas en mesure de dire que le ministère a raison lorsqu'il envisage la situation de cette façon, si les enfants indiens ne peuvent aller à l'école de leur

[*Text*]

children to a school of their own choice. I understand also that there is the eventual phasing out of residential schools many of which are operated by Anglican or Catholic churches or independent organizations and where the Department has been paying the tuition fees for the Indian children living on reserves.

Mr. Davey: With regard to the residential schools, the policy is to maintain these residential schools as long as there is a need for them and as long as this kind of service cannot be provided in any better way. We anticipate closing four residential schools this year but these are residences where the enrollment has dropped because the need no longer exists. We have no plans for the immediate closure of any residents in British Columbia.

Mr. Borrie: Not even for residential schools in British Columbia? It would appear that the Department is still concerned with the education of Indian children or students. Is this correct?

Mr. Davey: Right.

Mr. Borrie: Are you aware of a letter that was forwarded to the Minister from 60 students in Prince George?

Mr. Davey: We had a number of letters from students in Prince George about this matter. I am not able to identify the letter that you are referring to.

Mr. Borrie: It was written on April 14. Apparently it was signed by 60 Indian students from the school there. There is one paragraph which points out their concern and one of the reasons why they feel so strongly about the fact that they be allowed to continue with the attendance at an independent school; that is, they state that the separate school acts as a stepping stone or a cushion to make easier the transition from the security and the relaxed pace of reserve life to the competitive world of the white man.

So it would seem that more consultation is required with the Indians in British Columbia with regards to the new program. Also I would suggest that some of your departmental officials who are located in the area are not aware of the over-all policy either because they have been attending meetings and have not been able to answer a good many of the questions that have been submitted by the Indian people. There was quite violent reaction to it.

Under the circumstances, Mr. Chairman, I cannot go any further because you sort of

[*Interpretation*]

choix. Si je comprends bien, il s'agit de diminuer progressivement le nombre de pensionnats, dont plusieurs appartiennent à des organismes catholiques, anglicans, ou indépendants, pour lesquels le ministère payait les droits de pension et d'éducation pour les jeunes Indiens vivant dans les réserves.

M. Davey: Pour ce qui est des pensionnats, notre politique consiste à les maintenir aussi longtemps qu'il en faudra, et aussi longtemps que ce service ne pourra pas être fourni d'une meilleure façon. Nous espérons en fermer quatre cette année, c'est-à-dire ceux où l'inscription a tombé, parce que les besoins n'existent plus. Nous ne prévoyons pas fermer de pensionnats en Colombie-Britannique, du moins pour le moment.

M. Borrie: Pas même les pensionnats de la Colombie-Britannique? Il semble que le ministère s'occupe toujours de l'éducation des jeunes Indiens, n'est-ce pas?

M. Davey: En effet.

M. Borrie: Est-ce que vous connaissez l'existence d'une lettre envoyée au ministre par soixante étudiants de Prince George?

M. Davey: Nous avons eu un certain nombre de lettres d'étudiants de la région de Prince George à ce sujet. Je ne puis vous dire précisément à quelle lettre vous faites allusion.

M. Borrie: Cette lettre est en date du 14 avril. Elle a été signée, semble-t-il, par soixante élèves indiens. Dans cette lettre, un paragraphe souligne leur préoccupation et l'une des raisons pour lesquelles ils tiennent tant à suivre des cours d'une école indépendante, à savoir que l'école séparée facilite en quelque sorte la transition entre l'atmosphère paisible de la vie dans la réserve et le monde de l'homme blanc, où règne la rivalité.

Il semblerait donc qu'il faut accroître les consultations avec les Indiens de la Colombie-Britannique au sujet de ce nouveau programme. Je dirais aussi que certains fonctionnaires du ministère qui sont affectés dans la région ne semblent pas connaître la politique globale, car ils ont assisté à des réunions et n'ont pu répondre à un certain nombre de questions qui leur étaient posées par des Indiens. On a réagi assez vivement à cela.

Dans les circonstances, monsieur le président, je ne puis aller plus loin, car nous en

[*Texte*]

threw me for a loop when you replied that there was no change really in the policy of allowing them to attend the separate schools or independent schools.

Mr. MacDonald: I think it should be made clear, Mr. Borrie, that the agreement which was the starting point of this, namely the agreement entered into with the Province of British Columbia, is merely a direct extension of a long-standing policy to try to have the door open for the entry of Indian children now attending federal Indian reserve schools into the provincial system. It does not attempt to modify or alter the provincial school system. The saving clause in it is the one referred to by Mr. Davey that these arrangements can only proceed locally with the consent of the parents of the children involved. However, it is not in any way anything new. We are doing it in Ontario; we are doing it everywhere we can.

Mr. Borrie: I would say that the situation is a little bit different in other provinces because there is provincial financial assistance to independent schools. If there is no assistance from the Department of Education in British Columbia, certainly it is going to make the Indians gravitate towards a system that they do not want to accept. At least they say so at this stage.

• 1045

Mr. Davey: There is not unanimity, of course, among the Indian people on that particular point.

Mr. Borrie: No, there certainly is not. Not even in our white communities is there unanimity. I do have a copy of a contract between an independent school and the Province of British Columbia, so I will have to dig that one out before I can go any further to understand exactly what you are getting at and what the Indian people around there are getting at also.

Mr. Davey: Of course, I would have no knowledge of a contract of an independent school with the province.

The Chairman: Have you completed your questioning for the moment, Mr. Borrie?

Mr. Borrie: No, there is one other point, Mr. Chairman, as a supplementary to one of Mr. Orlikow's questions. It is on page 9, number 1. I think Mr. Davey has answered that he could not give an assessment about how the program was progressing. I was wondering when you felt you would be able to assess the program of Indians teaching Indians, because from what I can understand is that

[*Interprétation*]

sommes venus à une impasse, lorsque vous avez dit qu'il n'y avait pas de politique modifiée à l'égard des écoles séparées, ou indépendantes.

M. MacDonald: Je crois qu'il faut éclaircir quelques points, monsieur Borrie. Pour ce qui est de l'accord à intervenir avec la Colombie-Britannique, il s'agit simplement d'une extension de la politique à long terme visant à permettre l'accès des indiens qui vont aux écoles fédérales des réserves, l'accès, dis-je, au système provincial. Il n'est pas question de modifier ou d'altérer le système scolaire provincial. Et la disposition à laquelle M. Davey a fait allusion fait que ces accords ne se font uniquement qu'avec le consentement des parents. Mais il n'y a rien de nouveau dans cela. Cela se fait en Ontario, et partout où c'est possible.

M. Borrie: La situation est un peu différente dans les autres provinces, car il y a une aide provinciale aux écoles indépendantes. Si le ministère de l'Éducation de la Colombie-Britannique ne fournit pas d'aide financière, les Indiens doivent subir un système qui leur est inacceptable. Du moins, c'est la situation à ce moment-ci.

M. Davey: Mais les Indiens ne sont pas unanimes à ce sujet.

M. Borrie: Certainement pas. Les Blancs ne le sont même pas. J'ai un exemplaire d'un contrat conclu entre une école indépendante et la province de la Colombie-Britannique, et je vais essayer de l'étudier avant d'aller plus loin car je ne sais pas au juste de quoi il s'agit. J'aimerais bien savoir au juste quelles sont les réclamations exactes des Indiens.

M. Davey: Bien sûr, je ne connaîtrais rien d'un contrat conclu entre une école indépendante et la province.

Le président: Avez-vous terminé; monsieur Borrie?

M. Borrie: Non, il y a une autre question que j'aimerais soulever et qui complète la question de M. Orlikow. Il s'agit de la page 9, numéro 1. Je crois que M. Davey n'a pu dire quelle était son appréciation de l'évolution du programme. Je me demandais quand vous allez pouvoir évaluer le programme des enseignants indiens, car je crois comprendre que les Indiens de la réserve ne sont pas trop

[*Text*]

Indians on reserves are not too particularly taken with being taught by their own people? Whether this is a fallacy or not I do not know.

Mr. Davey: This varies with the community and with the individual that is assigned to the job. In many cases the Indian people are welcomed. I do not know why, but in others there have been conflicts between the Indians and the community.

Mr. Borrie: Yes, I would not imagine there would be too much conflict on something such as home economics, but I can imagine what might happen when you go a little further.

Mr. Davey: Maybe, I do not know.

Mr. Badanai: Mr. Chairman, I intended to ask a few questions on education, but happily most of these have been answered, adequately I think. Education, of course, has always been recognized to be the key to the solution of our Indian problem as we all know. I recall when I was first elected to the House of Commons some 11 years ago I was a member of the Committee which was then a Joint Committee of the House of Commons and the Senate. I want to congratulate the Department for the great improvement and progress made in the method of education of our Indian people since then.

It was pointed out that 12 per cent of the Indian pupils are attending secondary schools. In those days I think the percentage, and I believe Mr. Dinsdale will bear me out, was only about 3 or 4 per cent. I think there has been a great improvement made and the Department naturally is to be congratulated in that effort.

There is one question I wish to ask, Mr. Chairman, with regard to employment on which I would like some information. What is the progress on employment of Indians in the Pine Point mines in the Northwest Territories? Can anyone answer that question?

Mr. MacDonald: I do not know that we have any specific figures on that particular company, Mr. Badanai, but we could find out. I might say that we have had a great number of discussions with that company to try to increase the number of native people working there. They have this year past agreed, for example, on some specifics such as using, I think it is Hay River or Fort Smith, I am not sure which, a manpower office for people when they need them. Before that point, as the industry frequently does, they had been using, I think, the Alberta chamber of mines as the referral point. This obviously had an

[*Interpretation*]

emballés par le fait d'avoir des Indiens comme professeurs. Je ne sais pas si cela est vrai ou faux.

M. Davey: Cela varie selon la collectivité et l'enseignant lui-même et, dans bien des cas, les Indiens sont bien accueillis; mais dans d'autres, je ne sais pas pourquoi, il y a eu des conflits entre les enseignants indigènes et la collectivité.

M. Borrie: Je ne crois pas qu'il y aurait tellement de conflits au sujet des cours d'art ménager, par exemple, mais je peux imaginer ce qui pourrait arriver si on va un peu trop loin.

M. Davey: Peut-être, je ne sais pas.

M. Badanai: Monsieur le président, je voudrais poser quelques questions au sujet de l'éducation, mais on a répondu à la plupart, de façon bien convenable. L'éducation, bien sûr, est la clé de la solution de la plupart des problèmes indiens. Je me souviens, lorsque j'ai été élu député pour la première fois, il y a quelque onze ans, j'étais membre du comité alors. Il s'agissait à ce moment-là d'un comité mixte du Sénat et de la Chambre. Et je dois féliciter le ministère pour les progrès énormes qu'il a réalisés dans ses méthodes d'éducation des Indiens, depuis lors.

On a signalé que 12 p. 100 des élèves indiens fréquentaient les écoles secondaires. Je crois qu'à ce moment-là le pourcentage n'était que de 3 ou 4 p. 100 et je crois que M. Dinsdale va le corroborer. Donc, il y a eu un progrès sensible et je crois qu'il faut en féliciter le ministère.

Il y a une question que je voudrais poser, monsieur le président, au sujet de l'emploi. Quelle est la situation de l'emploi des Indiens dans les mines de Pine Point, dans les Territoires du Nord-Ouest? Est-ce que quelqu'un pourrait répondre à cette question?

M. MacDonald: Je ne crois pas que nous ayons des chiffres précis à ce sujet, monsieur Badanai, mais nous pourrions aller aux renseignements. Je sais qu'il y a eu un certain nombre d'entretiens avec des sociétés minières en vue d'accroître le nombre de travailleurs indigènes, et l'année dernière, nous sommes convenus de certaines questions; par exemple, je crois que c'est à Hay River, ou à Fort Smith,—je ne suis pas sûr,—que le bureau de la main-d'œuvre a été établi pour ces gens. Autrefois, l'industrie s'adressait à la chambre des mines de l'Alberta, ce qui bien sûr avait un effet défavorable sur l'emploi

[*Texte*]

adverse effect on employment locally. However, we do not have specific figures on Pine Point, but we will get them.

• 1050

Mr. Badanai: Has any effort been made to employ Indians to act as agents? I remember this question was in the minds of some of our Department heads at the time, that it would be desirable to have Indians act as agents in their own territory, I mean those who could qualify for the position.

Mr. Battle: Mr. Chairman, there are a number of Indians now employed as assistant Indian superintendents. The direction, in which most of this has been progressing in the last two or three years, is in employing Indians to administer their own affairs, and subsequently the removal of our superintendents from the community. This is the development of local government. Here, they employ band managers, welfare assistants and so on, who administer services to themselves.

We are trying to encourage the Indian people to go in this direction so that you will not have two parallel administrations which are administering to the people and living in the Indian communities. A number of these people are switching over from band managers to Indian superintendents and assistant superintendents.

Mr. Badanai: That is a very desireable development. Do you have any figures in regard to the numbers employed in that capacity?

Mr. Battle: We have a total figure. We do not have it broken down by the classification. The latest figure which we have is 522 people of Indian status employed in the Department as of September 30, 1968. Two hundred and fifty-seven of these are in classified positions, one hundred and thirty-eight are in teaching positions, forty at that time were employed as casuals and 87 were on contract, for a total of 522. Since then, as the Deputy Minister has said, we have tried to bring about an infusion of more people from the Department.

Mr. Badanai: Thank you, Mr. Chairman.

The Chairman: Thank you, Mr. Badanai. Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I would like to ask a few questions based on the objective on page 1:

1. To purchase the services of provincial and territorial school systems for all

[*Interprétation*]

local. Mais nous n'avons pas de chiffres au sujet de Pine Point, mais nous allons les obtenir.

M. Badanai: Est-ce qu'on a essayé d'employer des Indiens en tant qu'agents? Je me souviens que cette question est venue à l'esprit de certains fonctionnaires à l'époque, à savoir que les Indiens soient eux-mêmes agents, dans leur territoire, du moins ceux qui avaient la compétence voulue.

M. Battle: Monsieur le président, il y a un certain nombre d'Indiens qui sont maintenant surintendants adjoints des agences indiennes. Ceci provient de la tendance depuis deux ou trois ans, d'employer des indiens pour administrer leurs propres affaires et par conséquent, du retrait de nos surintendants dans ces collectivités. C'est le développement de l'autorité locale. Nous employons des directeurs de bandes, des adjoints en matière de bien-être, etc., qui administrent leurs propres services.

Nous encourageons les Indiens à le faire afin de ne pas avoir deux autorités parallèles qui administrent les gens et vivent dans les communautés indiennes. Certains indiens passent de directeurs de bandes à surintendants et surintendants adjoints.

M. Badanai: C'est une évolution très souhaitable. Avez-vous le nombre précis de personnes qui travaillent?

M. Battle: Nous avons un chiffre global qui n'est pas réparti selon les localités. Le dernier chiffre que nous avons, c'est 522 Indiens employés au Ministère, le 30 septembre 1968. 257 d'entre eux occupent des postes classés, 138 sont enseignants, 40 ont des emplois à temps partiel et 87 travaillent à forfait, ce qui fait 522 travailleurs. Comme l'a dit le sous-ministre depuis lors, nous avons essayé d'augmenter le nombre d'Indiens à l'emploi de notre ministère.

M. Badanai: Merci, monsieur le président.

Le président: Merci, monsieur Badanai. Monsieur O'Connell?

M. O'Connell: Monsieur le président, j'aimerais poser quelques questions sur les objectifs, à la page 1:

1. Dès qu'il sera possible, faire suivre à tous les élèves indiens et esquimaux des

[*Text*]

elementary and secondary school Indian and Eskimo students as soon as possible;

I would like to ask, perhaps in a series of questions, what sort of conditions are being investigated while the transfer to provincial systems takes place? Are research programs being conducted, and so forth, to assist that?

My questioning arises out of the concern that the provincial school systems may not be ready to realize that Indian or Eskimo students in the territories are different in their backgrounds or learning processes from the other students in the class. In this respect, the drop-out rates and the casualties, in general, may simply be continued unnecessarily. I would like to ask whether or not the Department is conducting research into the learning process across cultural boundaries or is assisting or encouraging provinces to undertake that research prior to or while the Indian children are being encouraged to go to the provincial school system?

The Chairman: Mr. Davey.

Mr. Davey: Mr. Chairman, the answer to that question is, "Yes". We are encouraging the provinces and particularly the universities to make studies of this nature. I can give you one or two examples. The University of Calgary, for example, is now conducting a study of the adjustment of Indian children to the provincial school system. It is focussing its attention in the city of Calgary area where we have a significant number of Indian children attending classes in the city school system.

• 1055

Another example is taken from Ontario in which the co-operative program, is being undertaken by the Ontario Institute for Studies in Education with some help from our staff. They have developed, for example, a project which involves a study of the Blackfoot situation. They are not only testing this program in Indian schools, but also in the provincial school system of Ontario.

The University of Saskatchewan has been conducting a program of studies of this nature for some time. The Department has given some assistance to the university for this purpose.

A fourth example is the program in cross-cultural education which is conducted at the University of Alberta, in Edmonton. These are some of the examples.

Mr. O'Connell: I would like to follow this discussion a little further if I might Mr. Chairman.

[*Interpretation*]

écoles primaires ou secondaires l'enseignement dispensé dans les établissements scolaires des provinces ou des territoires;

J'aimerais demander dans une série de questions, quelles conditions font l'objet d'une étude pendant le transfert aux systèmes provinciaux? Y a-t-il des programmes de recherche destinés à apporter de l'aide? Ma question découle de l'inquiétude que j'ai de ce que les systèmes provinciaux ne soient pas prêts à accepter que les Indiens ou les Esquimaux des territoires ont des antécédents ou des méthodes d'apprendre différents des autres élèves de la classe. A cet égard, le taux des abandons et des maladies peut simplement continuer inutilement. Je voudrais savoir si oui ou non le ministère effectue des recherches sur les méthodes d'apprentissage pardelà les frontières culturelles ou s'il encourage ou aide les provinces à entreprendre de telles recherches avant ou pendant que les enfants indiens sont encouragés à fréquenter les écoles provinciales?

Le président: Monsieur Davey.

M. Davey: Je réponds «oui» à votre question. Nous encourageons les provinces et particulièrement les universités à faire des études de ce genre et je pourrais vous donner un ou deux exemples. L'université de Calgary, par exemple, effectue une étude en ce moment, sur l'adaptation des enfants indiens dans le système scolaire provincial en se concentrant sur la ville de Calgary où un nombre important d'Indiens assistent à des cours dans les écoles de Calgary.

Un autre exemple est tiré de l'Ontario. Le programme coopératif est entrepris par l'Institut des recherches en éducation de l'Ontario de concert avec notre personnel. On a mis au point, par exemple, un projet qui découle d'une étude de la situation des Pieds-noirs. On met ce programme à l'essai non seulement dans les écoles indiennes mais aussi dans les écoles provinciales de l'Ontario.

L'université de Saskatchewan a mené un programme d'étude de ce genre pendant un certain temps. Le ministère a aidé l'université à cette fin.

Un quatrième exemple provient du programme d'éducation interculturelle, mené par l'université de l'Alberta, à Edmonton. Voilà quelques-uns des exemples disponibles.

M. O'Connell: J'aimerais poursuivre cette discussion un peu plus, si possible.

[*Texte*]

The Chairman: Mr. O'Connell, before you proceed further, we are apparatently being followed by another committee at 11 o'clock, so we must break off then. Mr. Dinsdale has indicated that he wishes a question. Could we give you two minutes?

Mr. O'Connell: I have been here through a whole lengthy series of questioning, and I want to continue with my own line of questioning. I do not want to cut Mr. Dinsdale out, but I have been here from the beginning.

The Chairman: We will agree to continue with this subject on Friday.

Mr. Dinsdale: I will not be here on Friday.

The Chairman: I made my effort on your behalf, Mr. Dinsdale.

Mr. Dinsdale: I would not like to interfere with the line of questioning which Mr. O'Connell is following. This morning I am covering two committees so this was the reason for my late arrival. We were trying to get some satellites launched in the Broadcasting Committee.

An hon. Member: I am going to one in about five minutes.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, on this question of research, your Department intends to make over-all agreements with the provinces, with respect to the education of Indian children. In those agreements, are you pressing for studies to be conducted, and perhaps jointly financed by the federal and provincial governments, to ensure that the learning process which the children will receive is one which is carefully researched?

Mr. Davey: The general agreements, sir, which we have entered into to this point, do not make specific reference to research. The arrangements have been made quite separately.

Mr. O'Connell: How did the University of Calgary develop a research program in education? Is it their initiative?

Mr. Davey: The initiative originally came from the University of Calgary. We felt that the proposal which they made was not the one that could serve our needs in the best way. We asked them to undertake the type of study in which they are now engaged.

Mr. O'Connell: Is federal financial aid going to this university?

Mr. Davey: Yes, it is.

[*Interprétation*]

Le président: Avant de continuer, il semble qu'il y a un autre comité à 11 heures. Nous devrons donc nous arrêter pour cette heure. Monsieur Dinsdale a manifesté le désir de poser une question. Peut-on vous donner deux minutes?

M. O'Connell: J'ai déjà entendu une longue série de questions et j'aimerais poursuivre dans cette ligne d'idée. Je ne voudrais pas couper la parole à monsieur Dinsdale, mais je suis là depuis le début.

Le président: Nous allons certainement poursuivre la question vendredi.

M. Dinsdale: Je n'y serai pas vendredi.

Le président: J'ai plaidé pour vous monsieur Dinsdale.

M. Dinsdale: Je ne voudrais pas empêcher monsieur O'Connell de poser des questions. J'ai dû assister à deux comités ce matin, c'est pourquoi j'ai été retardé. Nous essayons de faire lancer quelques satellites au Comité de la radiodiffusion.

Une voix: Je dois assister à un comité dans cinq minutes.

Le président: Monsieur O'Connell.

M. O'Connell: En ce qui concerne la recherche, votre ministère doit conclure des accords globaux avec les provinces sur l'éducation des enfants indiens. Dans ces accords, est-ce que vous insistez pour que des études soient entreprises et financées conjointement par les gouvernements fédéral et provinciaux afin de s'assurer que la méthode d'apprentissage des enfants fera l'objet de recherches soignées?

M. Davey: L'accord général que nous avons conclu jusqu'à présent, ne se reporte pas précisément à la recherche. Les dispositions ont été prises de façon assez distincte.

M. O'Connell: Comment l'université de Calgary a-t-elle mis sur pied un programme de recherches en éducation? Est-ce leur initiative?

M. Davey: L'initiative vient de l'université de Calgary. Nous avions pensé que la proposition qu'ils avaient faite ne servirait pas nos besoins de la meilleure manière. Nous leur avons demandé le genre d'étude qu'ils font en ce moment.

M. O'Connell: Est-ce qu'ils jouissent d'une aide fédérale?

M. Davey: Oui.

[*Text*]

Mr. O'Connell: Has your own Department conducted research in learning across cultural boundaries?

Mr. Davey: No, we have not undertaken specific studies in that field. We preferred to have this type of study done by the university. We do not have the technical skill to undertake this kind of work.

Mr. O'Connell: Do you have a program of contracting this kind of research to the universities?

Mr. MacDonald: I think the answer is yes. As Mr. Davey has pointed out, we do not try to—and I dealt with this in the Senate Committee on Science Policy—do much in-house research on our own. We conduct them only where there is a complete absence of facilities outside the government or the Department.

We contract with the university, or whether you call it a contract, or a grant in aid, or whatever it was.

• 1100

Mr. O'Connell: It appears to me that it is a very casual kind of concern and program. It is extraordinary that we face these problems of grade retardation, drop-outs at age 16, and on attainment of certain grades and yet we do not have a program to look into this. It is a unique opportunity. The federal government has been in the educational field for so long, and seems to have done so little, if I put it that way.

Mr. Davey: We have attempted to attack specific problems, such as the second language problem. We did research within the Department on that problem and, as a result of it, developed a program for teaching Indian youngsters English or French as a second language. We have attempted to attack specific problems, but our resources are limited. It is much better if we can get the service from the universities and the departments who are backed with greater resources.

The Chairman: Mr. O'Connell, you will be first on the list on Friday morning, to continue this line of questioning.

Mr. O'Connell: I would like to continue this particular line.

The Chairman: That is fine. Before we break up, gentlemen, is it agreed that the statement made by the Deputy Minister on the educational program, and the reply to the question of Mr. Orange about the teacher training program in Yellowknife, be made appendices to these *Minutes*?

Some hon. Members: Agreed.

[*Interpretation*]

M. O'Connell: Est-ce que votre ministère a mené des recherches sur l'apprentissage au-delà des barrières culturelles?

M. Davey: Nous n'avons pas entrepris d'études spéciales dans ce domaine. Nous préférons que ce genre d'étude soit faite par les universités. Nous n'avons pas les moyens techniques pour le faire.

M. O'Connell: Avez-vous un programme destiné à allouer ce genre de recherches aux universités?

M. MacDonald: Je crois bien, oui. Comme monsieur Davey l'a dit, nous n'essayons pas, et je m'en suis occupé au comité du sénat sur la politique en matière scientifique de faire beaucoup de recherches nous-mêmes. Nous nous en occupons seulement lorsque il n'y a pas de possibilité aucune à l'extérieur du gouvernement ou du ministère. Nous passons un contrat avec l'université, que vous l'appeliez contrat, subvention, aide ou autre.

M. O'Connell: Cela me semble une occupation très légère. Il est extraordinaire de faire face à ces problèmes de retard scolaire, d'abandon des études à 16 ans et d'obtention de certains diplômes, et nous n'avons pas encore un programme pour étudier cette question. C'est une occasion unique. Le gouvernement fédéral s'est occupé de l'éducation si longtemps et semble avoir fait si peu, si je peux dire.

M. Davey: Nous avons essayé de nous attaquer à des problèmes précis, comme celui de la langue seconde. Nous avons effectué des recherches dans ce domaine au Ministère et nous avons ensuite mis sur pied un programme d'enseignement du français ou de l'anglais comme langue seconde aux jeunes Indiens. Je dis que nous avons essayé, mais nos ressources étaient limitées. Il est préférable d'obtenir les services des universités et des Ministères qui peuvent y consacrer plus d'argent.

Le président: Monsieur O'Connell, vous serez le premier sur la liste de vendredi matin.

M. O'Connell: J'aimerais continuer dans cette ligne.

Le président: Très bien. Avant d'ajourner, messieurs, sommes-nous d'accord que la déclaration du sous-ministre sur le programme d'éducation et la réponse donnée à la question de monsieur Orange au sujet du programme de formation des professeurs à Yellowknife soient insérées aux Procès-verbaux?

Des voix: Adopté.

APPENDIX "O"

Statement on the Education Program by John A. Macdonald Deputy Minister of Indian Affairs & Northern Development

May 20, 1969.

In order that you may appreciate the fiscal support demanded by the Indian education program, I propose to outline the program for you under these headings: basic policy, program growth, significant developments, special problems and remedial action and, with the exception of the basic policy, to speak separately about the northern and southern programs.

Basic policy

The principal objective is to ensure that a complete educational program ranging from kindergarten to post-secondary school courses, is available to every Indian and Eskimo. This objective is extended to include adult education opportunities for Indian and Eskimo parents as well as placement and relocation services to assist these people in competing for employment opportunities on an equal basis with other Canadian citizens. The following underlying objectives have been identified to accomplish the main Departmental educational objective:

1. To purchase the services of provincial and territorial school systems for all elementary and secondary school Indian and Eskimo students as soon as possible;

2. To provide federal educational services and facilities for Indian and Eskimo elementary and secondary students until transfer of this program to provincial schools and territorial schools has been completed;

3. To provide for the daily and seasonal transportation of students wherever necessary to enable the student to attend school on a regular basis and to provide boarding accommodation in private homes for students who must attend Grades I-XIII beyond daily commuting distance of their home communities;

4. To provide adult Indians and Eskimos with basic education, educational upgrading and social education programs which will equip them with the skills and knowledge they require in their changing environment;

5. To provide vocational courses and higher education opportunities for those students

APPENDICE «O»

NOTES SUR LE PROGRAMME D'ÉDUCATION, À L'INTENTION DU SOUS-MINISTRE, EN VUE DU DÉBAT SUR LE BUDGET

Afin de vous donner une idée de l'appui financier nécessaire du programme d'éducation des Indiens, je me propose de vous présenter ce programme sous les titres suivants: principes fondamentaux, développement du programme, améliorations marquantes, problèmes particuliers et solutions. Sauf pour les principes généraux, je distinguerai dans mon exposé les programmes concernant le nord et ceux concernant le sud.

Principes fondamentaux

L'objectif primordial vise à assurer à tous les Indiens et Esquimaux un programme complet d'éducation, s'étendant de la classe maternelle à l'enseignement post-secondaire. Il s'y ajoute un programme de cours d'adultes, destiné aux parents indiens et esquimaux, ainsi que des services de placement et de réinstallation, le but étant de leur donner l'égalité des chances avec les autres citoyens canadiens sur le marché du travail. Pour atteindre cet objectif, nous avons défini les moyens suivants:

1. Dès qu'il sera possible, faire suivre à tous les élèves indiens et esquimaux des écoles primaires ou secondaires l'enseignement dispensé dans les établissements scolaires des provinces ou des territoires;

2. en attendant que le transfert du programme aux écoles provinciales et territoriales soit terminé, fournir les services et les installations scolaires fédérales aux élèves indiens et esquimaux des écoles primaires et secondaires;

3. fournir les moyens de transport quotidien et saisonnier aux élèves, si c'est nécessaire à la fréquentation régulière, et trouver des pensions de famille aux élèves des classes comprises entre la 1re et la 13e années qui demeurent trop loin pour faire le trajet tous les jours;

4. dispenser aux Indiens et aux Esquimaux adultes un enseignement de base, des cours de rattrapage et d'éducation sociale afin de leur faire acquérir les aptitudes et les connaissances dont ils auront besoin quand ils changeront de milieu;

5. mettre des cours d'enseignement professionnel et supérieur à la disposition des élè-

having the desire and the ability to undertake post-school courses;

6. To ensure that the Indian and Eskimo working force is provided with opportunities for employment through the utilization of on-the-job training, in-service training, relocation and Canada Manpower programs as well as direct placement by Departmental personnel.

7. To provide pupil residence accommodation for those students who must attend school in distant communities and who cannot be accommodated in private boarding homes.

Program Growth in the Provinces

The estimates provide for a qualitative and a quantitative expansion of the program. The four per cent increase in school enrolment results from the natural increase, the development of the kindergarten program and the increased holding power of the school at the high school level.

The enrolment in provincial schools will increase by 5,000 to 38,000 while in line with policy the enrolment in federal schools will decline by 800 to 28,000.

The kindergarten enrolment of four and five year olds will increase by approximately 1,500 to 6,500.

In the adult education program a wide variety of training, education and basic literacy courses will be offered to 12,500 students, an increase of 2,500 over the preceding year.

Technical and professional training is provided for 3,200 students, up 600 from the preceding year. The placement of 6,400 trained persons in employment is anticipated.

Significant Developments in the Provinces

Progress in the two most important areas of the program, provincial involvement and Indian participation, are anticipated.

General agreements to cover tuition and capital costs of education between the Department and those provinces in which such an agreement does not yet exist will likely be completed. These agreements will facilitate the administration of the provincial program.

Indian Band Councils and school committees will take over the administration of a larger part of such educational services as school transportation, school lunches, the maintenance of school buildings, school supplies and attendance enforcement.

ves qui ont le désir et la capacité d'entreprendre des études post-scolaires;

6. fournir, à tous les Indiens et Esquimaux en état de travailler, des occasions d'emploi, en appliquant les programmes de formation sur le chantier ou en service, de réinstallation, ainsi que ceux du Centre de la main-d'œuvre du Canada, et en recourant aux services de placement direct du Ministère;

7. loger les élèves qui fréquentent des écoles éloignées de chez eux et qui ne peuvent trouver de pensions de famille.

Développement du programme dans les provinces

Le budget prévoit un développement qualitatif et quantitatif du programme. L'augmentation de 4 p. 100 de l'inscription scolaire résulte de l'accroissement naturel de la population, de la mise en œuvre du programme de classes maternelles et de l'intérêt croissant porté aux études du niveau secondaire.

Les inscriptions dans les écoles provinciales augmenteront de 5,016 pour atteindre 37,470, alors que, conformément à notre ligne de conduite, les inscriptions dans les écoles fédérales diminueront de 835 pour descendre à 28,266.

Les inscriptions des enfants de quatre ou cinq ans dans les classes maternelles augmenteront de 1,500 environ pour atteindre le nombre de 6,500.

Nous dispenserons un enseignement technique et professionnel à 3,163 élèves, soit une augmentation de 571 par rapport à l'an dernier. Nous prévoyons le placement de 6,400 personnes formées.

Améliorations marquantes dans les provinces

Nous envisageons de réaliser un pas en avant dans les deux secteurs les plus importants de notre programme, à savoir l'engagement des provinces et la participation des Indiens.

Le Ministère conclura probablement des ententes générales, avec les provinces où la chose n'est pas encore réalisée, sur les frais d'enseignement et ceux d'immobilisation. Ces ententes faciliteront l'exécution du programme provincial.

Les conseils de bande indienne et les commissions scolaires prendront la relève administrative d'un plus grand nombre de services scolaires, tels que le transport, les cantines, l'entretien des bâtiments scolaires, les fournitures scolaires et le contrôle des absences.

The kindergarten teacher and Indian teacher aide training program will train for employment in federal schools an additional sixty Indian women to provide special assistance and Indian culture content to the kindergarten program. This training will be offered by provincial authorities to teachers in provincial as well as federal schools.

Several universities are engaged in research in those areas of the education program which present problems for the Indian child and the teacher.

Problems

1. The gap between the achievement of Indian and non-Indian children in school is still a matter of great concern to us. The dropout rate at age sixteeen years points to problems within the school and the community which must be researched in depth for solutions. Grade retardation is a lesser problem now than formerly but it still contributes to the dropout problem. Absenteeism is also a lesser problem now but it remains a barrier to educational progress. The present dual system of federal and provincial schools of Indian children is inefficient and confusing for the Indian parent.

2. One problem of particular significance to us is the fact that the educational level of the present day adult Indian people is considerably lower than the rest of the Canadian population. As a result, many Indian people do not have the prerequisites to gain admission into even the lowest level of programs being offered to the population as a whole. An associated problem is also the fact that the bulk of the Indian population is concentrated in rural areas and the bulk of training and employment resources are centered in urban centres. In addition to deploying our own resources to rural areas and developing programs at levels compatible with the present day level of Indian people, we are carrying on continuous consultations with the Department of Manpower and other interested agencies to ensure that the most effective use is made of existing resources and services.

3. Although the numbers of people being enrolled in training programs and placed in employment is increasing significantly, every year the problem of dropouts is a serious one and requires further study and emphasis. The findings of a study show a substantial improvement of 21% retention in courses when training allowances are provided to trainees as opposed to welfare assistance. We

Le programme de formation des institutrices et des auxiliaires indiennes des classes maternelles à l'enseignement dans les écoles fédérales concernera un nouveau groupe de soixante indiennes, chargées d'apporter au programme des classes maternelles une aide spéciale et un ferment de culture indienne. Les directions provinciales dispenseront cette formation pédagogique dans les écoles provinciales aussi bien que dans les écoles fédérales.

Plusieurs universités font des recherches dans les secteurs du programme scolaire où surgissent des problèmes d'adaptation pour l'élève indien et l'instituteur.

Problèmes particuliers

1. L'écart de rendement scolaire entre les enfants indiens et non indiens nous cause encore beaucoup de soucis. La proportion des élèves qui quittent l'école à l'âge de seize ans révèle l'existence de problèmes, tant à l'école que dans la communauté, qu'il faudra approfondir pour y remédier. Le problème du retard scolaire est moins aigu qu'autrefois, mais il contribue encore à l'éloignement prématuré de l'école. L'absentéisme, quoique moins prononcé, demeure cependant un obstacle au progrès scolaire en général. Le double régime scolaire fédéral et provincial, actuellement offert aux enfants indiens, est inefficace et remplit de désarroi les parents indiens.

2. Un problème d'une grande importance, à nos yeux, réside dans le niveau culturel des Indiens adultes qui est, de beaucoup, inférieur au niveau des autres Canadiens. Il en résulte que beaucoup d'Indiens n'ont pas la formation préalable nécessaire à leur accès aux cours, même les plus élémentaires, qui sont à la disposition de l'ensemble de la population. Un autre problème connexe est causé par la présence massive des Indiens dans des régions rurales alors que les moyens de formation et les occasions d'emploi sont concentrés dans des régions urbaines. En plus de mettre nos ressources au service des régions rurales et de dresser des programmes compatibles avec le niveau actuel des Indiens, nous sommes en consultation continuelle avec le ministère de la Main-d'œuvre et les autres organismes intéressés afin d'assurer l'utilisation la plus efficace des ressources et des services disponibles actuellement.

3. Même si le nombre des personnes inscrites aux programmes de formation et celui des personnes qui trouvent un emploi sont en augmentation, nous sommes conscients que le problème de l'éloignement prématuré de l'école est très sérieux et que nous devons l'étudier sans cesse avec toute l'attention voulue. Une enquête nous a révélé un accroissement de 21 p. 100 dans la persévérance dans les

have increased our budgetary request to make it possible to pay training allowances to all trainees in occupational training.

4. There was a disparity between assistance provided under our programs in Vocational Training and the amounts available to people who qualified for training through the Department of Manpower. Our scales of assistance have been amended to conform to those of Manpower.

5. Although the development of employment opportunities is receiving a great deal of emphasis, there is not a needed and corresponding emphasis on pre-employment orientation and counselling following employment. To the extent possible our own staff are trying to provide this service but more needs to be done. The Service Contract with the University of Saskatchewan referred to earlier is an approach which is being tried to overcome this difficulty.

Some of the more significant developments we anticipate over the next several years involve a greater participation on the part of Indian people and a further extension of existing services to Indian people.

1. Selected Indian adults will be given a basic teacher training course and on completion of training they will be employed to organize and conduct adult basic classes on their reserves.

2. Vocational training programs involving Manpower, provincial Departments of Labour and Education, and Department of Indian Affairs and Northern Development will be conducted on reserves. The program will be a combination of practical training and theory. An example of such training would be a program in conjunction with the on reserve, house building program.

3. Contracts will be utilized more with other agencies for the extension of their services to Indian reserves where such services are required.

4. A Departmental program to train more Indian people for responsible positions within our service will be undertaken.

5. Selected Departments will be asked to identify areas where occupational skills can be taught within their service. The Department of Indian Affairs and Northern Development will pay the total training allowance for such trainees to a maximum of 52 weeks.

études quand des subventions d'études sont versées à des stagiaires, par rapport à ce qui se passe dans les cas d'assistance sociale. Nous avons donc majoré nos prévisions budgétaires afin de pouvoir verser des subventions d'études à tous les stagiaires qui suivent des cours de formation professionnelle.

4. Il existait une disparité entre l'aide financière apportée dans le cadre de nos programmes de formation professionnelle et les montants mis à la disposition des candidats admis aux cours de formation du ministère de la Main-d'œuvre. Nos barèmes de subventions ont été modifiés pour être conformes à ceux du ministère de la Main-d'œuvre.

5. Même si on insiste beaucoup sur l'augmentation des occasions d'emploi, il n'existe pas malheureusement d'orientation professionnelle correspondante ni de service de consultation à l'intention des nouveaux employés. Nos agents font l'impossible pour assurer ce service mais il faudra faire davantage en ce domaine. Le contrat de service conclu avec l'Université de la Saskatchewan, à laquelle je faisais allusion plus tôt, est une tentative en vue de surmonter cette difficulté.

Quelques-unes des améliorations marquantes que nous espérons réaliser au cours des prochaines années concernent une participation accrue de la part des Indiens et un accroissement des services actuels que nous leur rendons.

1. Nous choisirons des Indiens adultes en vue de leur donner une formation pédagogique de base. Ils seront ensuite employés à organiser et à prendre charge des classes d'enseignement élémentaire pour les adultes dans leurs réserves.

2. Nous organiserons dans les réserves des cours d'initiation aux métiers, avec l'appui du ministère de la Main-d'œuvre, des ministères provinciaux du Travail et de l'Éducation. Le programme réunira la théorie à la formation pratique. A titre d'exemple, nous essaierons de fusionner ce programme avec le programme de construction de logements dans les réserves.

3. Nous conclurons davantage des contrats avec d'autres organismes afin qu'ils fournissent aussi, au besoin, leurs services dans les réserves.

4. Nous mettrons sur pied un programme en vue de former plus d'Indiens aux postes de responsabilité à remplir dans nos services.

5. Nous prierons certains ministères de nous indiquer quelques sphères d'activité à l'intérieur de leur service, où il serait possible de donner une initiation sur place. Le ministère des Affaires indiennes et du Nord canadien versera l'allocation totale des études de ces élèves jusqu'à concurrence de 52 semaines.

Remedial Action

The progressive program for 1969-70 is designed to deal effectively with the many serious problems that are inherent in any educational program of this nature. Basically, it involves the purchase of better services from the provinces and greater participation by the Indian people in all phases of the program. There will be improved and expanded kindergarten classes involving about 100 teacher aides. Improved instruction in the classrooms by teachers who have been trained for the instruction of Indian children. More research and more application of research findings to the educational problems of Indians. More time and money will be spent in consultation with Indian Band Councils, school committees and Indian Associations in planning and administering educational services and in dealing with difficult and persistent problems. There will also be an intensification of the involvement of the provinces to ensure that the total educational resources of the provinces and the municipalities are marshalled behind the effort to improve the education of the Indians.

In the area of research, we are cooperating with the Department of Manpower in a study of the migration and adjustment of indigenous workers and their families. A pilot study has been carried out in British Columbia and on the basis of this it is hoped to expand the study on a national level.

Northern Program

With regard to education in the Northwest Territories you know that responsibility was transferred to the Government of the Northwest Territories for education in the Mackenzie District on April 1. Transfer of responsibility for education and other functions in the Eastern Arctic is scheduled for April 1, 1970. The Territorial Government will be provided with sufficient funds to carry out an education program in the Northwest Territories of roughly the same scope as was planned by the Federal Government. The funds will be provided within the framework of a new Federal-Territorial Financial Agreement which will be negotiated within the next few months. While agreement will be reached on the general level of expenditure for education programs, the Territorial Government will have a great deal of flexibility in the use of funds provided so that it will be able to adjust to changing needs in the Territories.

Solutions

Le programme dynamique de 1969-1970 est conçu pour attaquer vigoureusement les divers grands problèmes qui sont inhérents à tout programme d'éducation de cette nature. En substance, il faut se procurer de meilleurs services des provinces et obtenir une plus grande participation des Indiens dans toutes les phases de notre programme. Nous aurons des classes maternelles plus nombreuses et mieux équipées avec une centaine de maîtresses auxiliaires. Nous dispenserons un meilleur enseignement par des instituteurs qui ont reçu une formation spéciale à l'égard des élèves indiens. Nous donnerons une impulsion nouvelle à la recherche pédagogique en milieu indien et nous rectifierons nos méthodes en conséquence. Nous affecterons plus de temps et plus d'argent aux consultations avec les conseils de bandes indiennes, les Commissions scolaires et les associations d'Indiens, afin de planifier et d'administrer les services d'éducation et d'essayer de trouver des solutions aux problèmes les plus difficiles et les plus persistants. Nous amplifierons aussi l'engagement des provinces afin de s'assurer la coopération de toutes les ressources provinciales disponibles en éducation et de concentrer les efforts des municipalités en vue d'améliorer le niveau scolaire des Indiens.

Dans le domaine de la recherche, nous collaborons avec le ministère de la Main-d'œuvre dans une étude du déplacement et de l'adaptation des travailleurs autochtones et de leurs familles. En Colombie-Britannique, nous avons entrepris une étude pilote, que nous espérons développer ensuite à l'échelle nationale.

Programme relatif au Nord

En ce qui a trait à l'éducation dans les Territoires du Nord-Ouest, vous savez que cette charge a été remise, le 1er avril, au gouvernement de cette région, pour ce qui est du district de Mackenzie. D'autres transferts d'attributions sont prévus, dans le domaine de l'éducation et en d'autres, dans la région est de l'Arctique, pour le 1er avril 1970. Le gouvernement territorial recevra les fonds nécessaires pour la mise en œuvre, dans le territoire qui est sous sa compétence, d'un programme d'éducation à peu près de la même ampleur que celui que projetait d'appliquer le gouvernement fédéral. Les fonds en question seront fournis en vertu d'un accord financier, entre les gouvernements fédéral et territorial, qui sera négocié au cours des prochains mois. L'accord devant porter sur les dépenses générales à affecter aux programmes d'éducation, le gouvernement territorial disposera d'une grande latitude dans l'utilisation des fonds qu'il recevra, de façon à pouvoir

In the past fiscal year, 1968-69, our total estimates for education in the Northwest Territories and Arctic Quebec were $11,115,100. Of that amount $6,242,300 was budgeted for the education program in the Mackenzie District. In the current fiscal year, 1969-70, the estimates for education in the Northwest Territories and Arctic Quebec total $13,063,000. Of this amount $7,455,800 is estimated for the Mackenzie District. This latter sum, plus an additional $218,000 from Headquarters' education estimates, will be transferred to the Government of the Northwest Territories in order that they may carry out the education program in the Mackenzie District.

There are at present 68 schools in the Northwest Territories and Arctic Quebec providing education for 9,707 students. Plans have been formulated for the construction of new schools to accommodate the increasing number of students moving to the higher grades, to provide for vocational education and occupational training of a larger number of students, and to provide for a rapidly increasing population.

There is, of course, a large population of children coming through the elementary and secondary school systems who require further education at the post-secondary level in trade and technical schools, in the apprenticeship program and in training in industry programs. So far there has been no problem in placing graduates of these programs in employment. There are also 98 university students from the Northwest Territories who are receiving financial assistance from the Territorial Government.

There are over 40 Indian and Eskimo classroom assistants working in northern schools. One of the main reasons for the establishment of these positions has been to facilitate communication between teachers and parents in Indian and Eskimo communities.

There is a pilot program now under way to train Indian and Eskimo young people to become teachers in the northern school system. The first group of 17 young graduates from this program will go into the schools this year.

The principle of cultural inclusion in the school curriculum is recognized through the provision of supplementary materials and texts which are based on the northern environment: for example, within six months a series of 16 "Arctic Readers" for use by

adapter son action à l'évolution de la situation dans sa circonscription.

Au cours de l'année financière 1968-1969, nos prévisions budgétaires globales pour l'éducation dans les Territoires du Nord-Ouest et le Nouveau-Québec ont porté sur $11,115,100. De ce montant, une somme de $6,242,300 a été affectée au programme d'éducation du district de Mackenzie. Pour l'année financière en cours, les prévisions budgétaires pour l'éducation dans les Territoires du Nord-Ouest et le Nouveau-Québec portent sur $13,063,000. De ce montant, une somme de $7,455,800 est destinée au district de Mackenzie. Cette dernière somme, ainsi qu'un montant de $218,000 qui figurait aux prévisions budgétaires de l'administration centrale, seront remises au gouvernement des Territoires du Nord-Ouest, de façon qu'il puisse mettre en œuvre son programme d'éducation dans le district de Mackenzie.

A l'heure actuelle, il y a, dans les Territoires du Nord-Ouest et le Nouveau-Québec, 68 écoles et 9,707 élèves. Nous avons élaboré des plans en vue de la construction de nouvelles écoles destinées à recevoir le nombre croissant d'élèves qui accèdent aux classes supérieures, ainsi que pour assurer l'orientation et la formation professionnelles d'un plus grand nombre d'élèves et pour satisfaire aux besoins d'une population qui s'accroît rapidement.

Il y a, évidemment, un bon nombre d'élèves des écoles primaires et secondaires qui doivent poursuivre leurs études dans des écoles commerciales ou techniques ou dans le cadre de programmes d'apprentissage ou de formation industrielle. Jusqu'ici, il n'a pas été difficile de trouver des emplois pour les élèves qui ont suivi avec succès ces cours. De plus, 98 étudiants, originaires des Territoires du Nord-Ouest, reçoivent actuellement une aide financière du gouvernement territorial.

Les classes indiennes et esquimaudes des régions territoriales comptent plus de 40 assistants. Ces postes ont notamment été créés en vue de faciliter les rapports entre les instituteurs et les parents, dans les agglomérations indiennes ou esquimaudes.

On met actuellement en œuvre un programme pilote de formation de jeunes instituteurs indiens et esquimaux, qui seront affectés aux écoles des régions septentrionales. Les dix-sept premiers diplômés formés dans le cadre de ce programme commenceront à enseigner cette année.

Parce que l'on reconnaît la nécessité de l'intégration culturelle au programme d'études, on fournit maintenant du matériel d'enseignement et des manuels qui tiennent compte de la réalité septentrionale. Ainsi, au cours des six prochains mois, une série de seize «re-

northern primary children will be printed and distributed to our schools.

Northern Problems

There are significant numbers of young men and women in the Northwest Territories who are at less than a Grade VIII level but are now over fifteen years of age. Many of these young people would take wage employment if they had the required education level and special training. They must upgrade their education to the point where they can benefit from training in various trades. We have been successful in providing occupational training and academic upgrading for some of these young people and plans call for an acceleration of these programs.

The placement of northerners in employment through our offices in the north has also shown a significant increase during the past five years (459 to 832). There are, however, still areas where further placements might be made if we can expand, more rapidly, the special type of training and relocation programs that are required.

cueils pour habitants de l'Arctique», destinée aux élèves des écoles primaires de ces régions, sera imprimée et distribuée dans nos écoles.

Problèmes des régions septentrionales

Il y a bon nombre de jeunes, dans les Territoires du Nord-Ouest, qui ont moins de huit années de scolarité et qui sont maintenant âgés de plus de quinze ans. Beaucoup de ces jeunes prendraient un emploi salarié s'ils avaient l'instruction et la formation requises. Il leur faut poursuivre leurs études générales pour avoir accès à l'apprentissage de divers métiers. Nous avons déjà mis en œuvre, avec succès, des programmes de formation professionnelle et de rattrapage général à l'intention de certains de ces jeunes et nous avons l'intention de développer rapidement ces programmes.

Au cours des cinq dernières années, le placement d'habitants du Nord, par l'intermédiaire de nos bureaux locaux, a aussi connu une importante augmentation. Ce nombre est passé de 459 à 832. Toutefois, il y a encore certains secteurs où l'on pourrait améliorer le nombre de placements, si l'on pouvait appliquer, avec plus d'ampleur et de rapidité, les programmes spéciaux de formation et de réinstallation nécessaires.

APPENDIX "P"

Reply to inquiry of Mr. Orange
on the

Teacher Training Program, Yellowknife, N.W.T.

The teacher training program at Yellowknife is an experimental, two-year program. 1969-70 will be the second year of this program, and no intake of additional students is planned for 1969-70. Any additional enrolment of students will occur in September 1970, and will be dependent upon evidence of success demonstrated by students currently enrolled in this program. No valid decision on this can be taken until these students have obtained extensive classroom experience under regular teaching conditions next year.

Desirability of changes in the present course structure are likely to be extensive, based on the observations of Territorial education officials and as a result of the present students' teaching experience in 1969-70. The University of Alberta has co-operated with the Government of the Northwest Territories in many ways, including the granting of university credit for work done in the Yellowknife training program. This concession is a

APPENDICE «P»

Programme de formation des maîtres, Yellowknife, Territoires du Nord-Ouest.

Le programme de formation des maîtres, à Yellowknife, est un programme expérimental d'une durée de deux ans. L'année 1969-1970 constituera la seconde année de ce programme, et aucune inscription de nouveaux étudiants est prévue pour 1969-1970. Toute nouvelle inscription d'étudiants se fera en septembre 1970, et dépendra du succès rencontré par les étudiants suivant actuellement ce programme. Aucune décision valable ne pourra être prise à ce sujet tant que ces étudiants n'auront pas acquis une pratique intensive de l'enseignement en classe au cours de conditions normales d'emploi l'an prochain.

Le besoin de modifications de la présente structure des cours semble être profond, vu les observations des autorités scolaires du territoire et les résultats des étudiants actuels après leur expérience d'enseignement en 1969-1970. L'Université d'Alberta a coopéré avec le gouvernement des Territoires du Nord-Ouest dans plusieurs domaines, y compris celui de l'attribution de crédits universitaires pour le travail effectué conformément

very significant one, and was made for this experimental group only, on the understanding that no further commitments would be made until the end of the current two-year program in 1970. The Northwest Territories Teachers' Association has also accepted the concept of a two-year experimental program.

All students currently enrolled in this program who are successful in their university work this summer will be given teaching positions in the Mackenzie District and the experimental program will continue until 1970. If the program proves successful a course beginning in September 1970 will be designed to accommodate those who desire to enrol and qualify for admission.

au programme de formation de Yellowknife. Cette allocation de crédits est très significative et fut faite uniquement vis-à-vis de ce groupe expérimental après l'accord qu'aucun autre engagement ne serait conclu avant la fin du programme actuel de deux ans, en 1970. L'Association des enseignants des Territoires du Nord-Ouest a aussi accepté le concept de ce programme expérimental de deux ans.

Tous les étudiants actuellement engagés dans ce programme et qui réussiront avec succès leur travail universitaire de cet été se verront offrir une situation dans l'enseignement dans le district du Mackenzie et le programme expérimental continuera jusqu'en 1970. Si le programme s'avère un succès, un cours commencera en septembre 1970 sera conçu pour accommoder ceux qui désirent s'inscrire et se présenter à l'admission.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

LIBRARY
JUN 23 1969
UNIVERSITY OF TORONTO

No. 26

FRIDAY, MAY 23, 1969

LE VENDREDI 23 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires des Affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

20395—1

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*

Vice-Chairman — Mr. Paul St-Pierre — *Vice-Président*

and Messrs. — et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Duquet,
Gundlock,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby
Clerk of the Committee.

[*Text*]

MINUTES OF PROCEEDINGS

FRIDAY, May 23, 1969.
(27)

The Standing Commitee on Indian Affairs and Northern Development met this day at 9:45 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Laprise, Marchand (*Kamloops-Cariboo*), Orange, St. Pierre, Thomson (*Battleford-Kindersley*), Watson—(9).

Witnesses: From the Department of Indian Affairs and Northern Development: Messrs. R. F. Battle, Assistant Deputy Minister (Social Affairs); R. F. Davey, Director, Education Branch (Social Affairs); D. W. Simpson, Assistant Director, Education Branch (Social Affairs).

The Committee continued consideration of Item 5—Administration, Social Program—of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The Chairman introduced the witnesses. Mr. Battle made a statement and he and his officials were questioned.

Later, it was

Agreed: That the answers tabled in reply to questions Mr. Badanai and Mr. Orlikow had asked at the meeting of Tuesday, May 20, 1969 be made an appendix to the Minutes of Proceedings and Evidence (*See appendix "Q"*).

The questioning of the witnesses continuing, at 11:05 a.m., on motion of Mr. Borrie, the Committee adjourned to Tuesday, May 27, 1969.

[*Traduction*]

PROCÈS-VERBAL

Le VENDREDI 23 mai 1969.
(27)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 9 h. 45, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Cullen, Laprise, Marchand (*Kamloops-Cariboo*), Orange, St-Pierre, Thomson (*Battleford-Kindersley*), Watson—(9).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: MM. R. F. Battle, sous-ministre adjoint (Affaires sociales); R. F. Davey, directeur, Direction de l'éducation (Affaires sociales); D. W. Simpson, directeur adjoint, Direction de l'éducation (Affaires sociales).

Le Comité poursuit son étude du crédit 5—Administration, Programme social—des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année 1969-1970.

Le président présente les témoins, puis M. Battle fait une déclaration et répond, ainsi que ses collaborateurs, à des questions.

Par la suite,

Il est décidé—Que les renseignements déposés en réponse aux questions qu'avaient posées M. Badanai et M. Orlikow à la séance du mardi 20 mai 1969 soient imprimés en appendice aux Procès-verbaux et Témoignages. (*Voir Appendice «Q»*).

L'interrogation des témoins se poursuivant, à 11 h. 05 du matin, sur la proposition de M. Borrie, le Comité s'ajourne jusqu'au mardi 27 mai 1969.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

20395—1½

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Friday, May 23, 1969

• 0943

The Chairman: Gentlemen, I call the meeting to order. Resuming consideration of Vote 5, administration and social program for the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The witnesses this morning are Mr. R. F. Battle, Assistant Deputy Minister (Social Affairs), Mr. R. F. Davey, Director, Education Branch (Social Affairs), Mr. D. W. Simpson, Assistant Director, Education Branch (Social Affairs), Mr. Zakreski, Chief, Vocational Education Division and Mr. K. Bowles, Assistant Chief, Vocational Education Division, Education Branch.

The members of the Subcommittee who are here are reminded that a meeting is going to be held in Room 112N at noon.

The gentlemen who indicated at the last meeting they wished to be first on the list for questions are not here. Are there any questions now? Mr. Orlikow, I think you had not completed your line of questioning.

Mr. Orlikow: I left a number of questions with the Department. Do they have the answers?

The Chairman: Yes. Mr. Battle indicates he has a statement.

• 0945

Mr. R. F. Battle (Assistant Deputy Minister, (Social Affairs) Department of Indian Affairs and Northern Development): Mr. Chairman, there were several questions at the last meeting which we undertook to get answers to and I will just touch the high spots of these, if I may, and we will then table the more complete answers for the Committee members.

On Mr. Badanai's question on employment at Pine Point, as of May 21, 1969, there were 53 people with Indian and Eskimo origin employed there.

On the question of training allowances, which was raised by Mr. Orlikow, again I

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le vendredi, 23 mai 1969.

Le président: Messieurs, je rappelle l'assemblée à l'ordre. Nous allons reprendre l'étude du crédit n° 5, Administration et Programme social des prévisions budgétaires du ministère des Affaires Indiennes et du Nord canadien.

Les témoins sont les suivants: M. R. F. Battle, sous-ministre adjoint aux Affaires sociales, M. R. F. Davey, directeur, de la Direction de l'éducation (Affaires sociales), M. D. W. Simpson, directeur adjoint, Direction de l'éducation (Affaires sociales), M. Zakreski, chef de la Division de l'éducation professionnelle, Direction de l'éducation et M. Bowles, chef adjoint de la Division de l'éducation professionnelle, Direction de l'éducation.

On rappelle aux membres du sous-comité, qui sont ici, qu'il y aura une réunion à 12h., à la salle 112N.

Ceux qui ont demandé, à la dernière réunion, d'être les premiers à poser les questions, ne sont pas présents. Avez-vous des questions à poser, maintenant? Monsieur Orlikow, je pense que vous n'aviez pas terminé votre question.

M. Orlikow: J'ai laissé certaines questions au Ministère l'autre jour, et je me demande si on pourra me répondre, maintenant.

Le président: M. Battle a une déclaration à faire.

M. R. F. Battle (sous-ministre adjoint, Affaires sociales, ministère des Affaires indiennes et du Nord canadien): Monsieur le président, il y a plusieurs questions qui ont été posées à la dernière réunion et pour lesquelles nous cherchions à trouver des réponses. Je vais vous donner l'essentiel de ces réponses et nous présenterons les réponses les plus complètes, aux membres du Comité.

Pour répondre à la question de M. Badanai, sur le travail, à Pine Point, au 21 mai, 1969, je dirai qu'il y avait 53 personnes, d'origine indienne et esquimaude, employées à cet endroit.

En ce qui concerne la question posée par M. Orlikow, sur les allocations de formation,

[*Text*]

will summarize this: in 1967-68 there were 2,458 people on training allowances taking training, and in 1968-69 there were 3,855 receiving allowances, and we are projecting for this year a total of 4,760 people on training allowances. Of the 3,855 students on training allowances for the period ending March 31, 1969, 1,387 or 36 per cent were receiving assistance from the Department of Manpower with some supplementary assistance from the Department, and the balance of 2,468 students were receiving assistance from the Department of Indian Affairs.

We are taking some steps to improve the program. The training allowance schedule was revised as of April 1, 1969 to conform with the schedule used by the Department of Manpower and Immigration, and we hope to provide training allowances to students involved in prevocational and vocational training programs on reserves in 1970-71 provided we can get the funds to do so.

Mr. Orlikow also raised a question in respect of the Adult Education Program in Manitoba. A total of 32 Indian people were enrolled in an instructors' training program there. The program ran for 15 weeks and was completed at the end of January, 1969. Twenty-five of these successfully completed the training and are employed by the Department to work in their home communities. As a part of the partnership program undertaken between the Department and the Manitoba Indian people it has been suggested that this specifically trained group of instructors should devote more of their time to social animation activities.

It is planned to have an evaluation program carried out by an outside agency this fall. If the program is found to be as successful as it appears to be so far, it will be expanded to cover other reserves.

The University of Saskatchewan Extension Division Homemakers' Program was extended in the 1967-68 year to 1,361 students in 128 courses. In 1968-69 the university provided training for 32 instructors. A total of 146 courses were conducted with a total enrolment of 1,428. The program is considered highly successful and we are carrying out a further evaluation this year. In the meantime we are planning to continue the program at the present level.

Mr. Orlikow also raised a question about retardation among Indian pupils in federal schools; in other words, the age grade distribution. We have a more detailed report on this, but I will just simply refer to percentages. Speaking of students who were over-age by one year or more in particular grades, in 1956-57, 52 per cent of the students in Grade

[*Interpretation*]

je vais résumer ainsi: En 1967-68, il y avait 2,458 personnes qui suivaient des cours de formation et qui bénéficiaient de l'allocation; en 1968-69, il y en avait 3,855 et nous pensons qu'il y en aura 4,760 cette année. Parmi les 3,855 étudiants qui bénéficiaient d'allocations de formation pendant la période qui s'est terminée le 31 mars 1969, 1,387, c'est-à-dire 36 p. 100 recevaient de l'aide du ministère de la Main-d'œuvre, et les autres 2,400 étudiants recevaient de l'aide du ministère des Affaires indiennes.

Nous prenons des mesures pour améliorer le programme. Le programme d'allocations de formation fut revisé, le 1er avril 1969, pour se conformer au programme du ministère de la Main-d'œuvre et de l'Immigration, et nous espérons fournir des subventions aux personnes qui suivront une formation préprofessionnelle ou professionnelle en 1970-71. Nous espérons avoir les fonds nécessaires pour le faire. M. Orlikow a posé une question au sujet de l'éducation des adultes, au Manitoba. 32 Indiens, se sont inscrits au programme de formation de moniteurs. Le programme s'étendait sur 15 semaines et s'est terminé à la fin de janvier 1969. Vingt-cinq ont réussi le cours et sont employés par le Ministère pour travailler dans leur propre milieu. Dans le programme, fait en collaboration avec le Ministère et les Indiens du Manitoba, on nous laisse entendre que ce groupe de moniteurs doit davantage s'occuper d'animation sociale.

On entrevoit pour l'automne, un programme d'évaluation qui sera établi par un organisme extérieur. Si c'est un succès, comme ce semble l'être jusqu'à maintenant, on l'étendra aux autres réserves.

Le programme d'éducation permanente concernant l'économie domestique, de l'Université de Saskatchewan s'adressait, en 1967-68, à 1,361 étudiants, dans 128 cours. En 1968-1969, l'université a donné une formation à 32 moniteurs. 146 cours ont été donnés et 1,428 personnes s'y étaient inscrits. Le programme a connu un grand succès et nous allons faire une évaluation plus poussée, cette année. Entre-temps, nous comptons poursuivre ce programme au niveau actuel.

M. Orlikow a également poser une question au sujet du retard des élèves indiens, dans les écoles fédérales, de la répartition par groupes d'âges. Nous avons un rapport détaillé à ce sujet, mais je m'en tiendrai aux pourcentages. En 1956-57, 52 p. 100 des élèves de première année, avaient un an de plus que la moyenne. En 1967-68, dix ans après, il y en avait 12 p.

[*Texte*]

1 were over-age by one year or more. In 1967-68, about 10 years hence this had been reduced to 12 per cent. In Grade 2, the reduction was from 52 per cent to 22 per cent; in Grade 3, from 62 per cent to 25 per cent, and so on to Grade 8 where in 1956-57 it was 20 per cent, and in 1967-68 18 per cent.

• 0950

To strike a comparison with what the situation is in provincial schools, we have used Alberta figures. Over-age by one year or more in 1967, 6.63 in Alberta, in Grade 1; 10.02 in Grade 2; and so on to 21.43 in Grade 8. So that, there has been considerable improvement over the years and we are getting much closer to the situation that prevails in provincial schools. I will not go into the details as to what is being done to help bring this about because this is covered in the report which will be tabled.

We have another return which shows the relationship of total Indian Grade I enrolments in three base years. We used the years 1949-50, 1959-60 and 1961-62. Starting in Grade 1 and using that as the base at 100 per cent in 1949-50 and carrying through this enrolment until 1956-57, Grade 8, 100 per cent in the first year becomes 17 per cent in Grade 8 and 9 per cent in Grade 10. Going 10 years hence, further on in the program, starting with a base of 1959-60, it becomes 44 per cent in Grade 8 in 1966-67. So there has been an improvement in 10 years from 17 per cent to 44 per cent in Grade 8 and an improvement from 8 per cent in Grade 10 to 28 per cent in Grade 10, 10 years hence.

The 1961-62 figures show further improvement, with 55 per cent in Grade 8 in 1968-69 as compared to 44 per cent two years back and 17 per cent in 1949-50. Again this report is to be tabled.

Mr. R. F. Davey (Director, Education Branch, Social Affairs, Department of Indian Affairs and Northern Development): This table shows not just dropouts, but it shows the accumulative affect of dropouts and non-promotion or failure.

Mr. Orlikow also asked for information about dropouts by grade and by age, and I have some figures in relation to that which I can read now.

In 1965-66 the enrollment at below the Grade 1 level was 3,093, and of this number 20 dropped out. They did not go on with their education during that year or the following year. In Grade 1 there were 5,461 and of this number 50 dropped out. And so we go on. There is really not a significant dropout until

[*Interprétation*]

100. En 2e année, le pourcentage passe de 52 à 22; en 3e année, de 62 à 25. En 8e année, en 1956-57, il y en avait 20 p. 100 et en 1967-68, 18 p. 100.

Donc pour comparer cette situation avec celle qui existe dans les écoles provinciales, nous nous sommes servis des chiffres de l'Alberta. En 1967, 6.63 p. 100 des élèves avaient un an ou deux de plus que la moyenne, en première année; 10.02 p. 100 en 2e année 21.43 en 8e année. Donc, il y a une amélioration considérable et nous nous rapprochons beaucoup de la situation qui existe dans les écoles provinciales. Je ne donnerai pas de détails sur ce qui s'est fait pour améliorer la situation, car c'est expliqué dans le rapport que je vais déposer.

Nous avons un autre rapport qui indique le nombre d'inscriptions faites par des Indiens, en première année, pendant une période de 3 ans, c'est-à-dire les années 1949-50, 1959-60 et 1961-62. A partir de la première année, en 1949-1950, et ceci va jusqu'à la 8e année, 1956-1957, 100 p. 100 la première année devient 17 p. 100 en 8e année et 8 p. 100 en 10e année. Dix ans plus tard, nous commençons avec 1959-1960, et cela devient 44 p. 100 en 8e année en 1966-67. Donc, il y a une amélioration de 17 à 44 p. 100 en 8e année, au cours de dix ans, et une amélioration de 8 à 28 p. 100 pour la 10e année pour les dix années suivantes.

Pour 1961-1962, il y a également eu amélioration, soit 55 p. 100 en 8e année, en 1968-1969, pour 44 p. 100 il y a deux ans et 17 p. 100 en 1949-1950. Ce rapport sera déposé au dossier.

M. R. F. Davey (Directeur, Direction de l'éducation (Affaires sociales) ministère des Affaires Indiennes et du Nord canadien): Ce tableau ne révèle pas uniquement le nombre d'élèves qui ont quitté l'école, mais l'effet cumulatif de ces abandons, du mauvais avancement et de la faillite.

M. Orlikow a également demandé des renseignements au sujet des élèves qui abandonnent, par année et par groupe d'âge. J'ai certains chiffres à ce sujet que je vais lire. En 1965-1966, l'inscription avant la première année était de 3,093, dont 20 ont abandonné. Les élèves n'ont pas poursuivi leurs études.

[*Text*]

we come to Grade 5, and in Grade 5 the enrollment was 3,477, and of those 11 did not go on with their education.

In Grade 6 the enrolment was 2,644 and the dropout was 147. In Grade 7 the enrolment was 1,914 and the dropout was 148. In Grade 8 the enrolment was 1,289 and the dropout was 133. In Grade 9 the enrolment was 383 and the dropout was 41. In Grade 10 the enrolment was 203 and the dropout was 25. In Grade 11 the enrolment was 92 and the dropout was 15. In Grade 12 the enrolment was 38 and the dropout was 11.

I should explain that these figures for enrolment include only those who are enrolled in federal classrooms, or who were in federal residences. We do not have data on dropouts with respect to the provincial enrolment, and that is the reason why the table to which Mr. Battle has made reference has been introduced. It represents the total enrollment.

• 0955

Mr. Orlikow: Mr. Chairman, I do not mean to interrupt the information we are getting, but in view of the fact that the bulk of the Indian students at the secondary school level are now going to provincially operated schools, and that is something which we have all encouraged, should we not try, if we have not already, to get from them—I know it will be more difficult than it is to get information as to what happens in our own schools—information on what is happening to Indian students attending schools not operated by the Department? If there is a significant dropout, and if we agree that it is just as important or more important for Indian and Eskimo young people to finish their education as it is for the rest of the young people of this country, it seems to me that we ought to try to find out why these things are happening.

Mr. Davey: We have been rather reluctant to follow the youngsters into the provincial schools because it creates the impression that we are responsible for them, and since we cannot control the provincial program, of course we cannot be responsible for it. We believe that the Indian people themselves should make direct representation to the provinces and we should not stand in the way.

The second difficulty is the one, of course, to which you referred, and it is extremely difficult to get the provincial people to do additional work on behalf of a particular group of students within their school systems.

[*Interpretation*]

En première année, il y avait 5,461 élèves et de ce nombre, 50 ont abandonné. Les abandons ne sont pas très nombreux, jusqu'à la 5e année. En 5e année, il y avait 3,477 élèves inscrits, dont 111 n'ont pas poursuivi leurs études.

En 6e année, il y avait 2,644 élèves inscrits et 147 abandons. En 7e année, 1,914 inscrits et 148 abandons. En 8e année, 1,289 inscrits et 133 abandons. En 9e année, 383 environ et 41 abandons. En 10e année, 203 inscrits, 25 abandons. En 11e année, 92 inscrits, 15 abandons. En 12e année, 38 inscrits, 11 abandons.

Je dois préciser que ces chiffres pour les inscriptions ne comprennent que les élèves dans les classes fédérales ou les résidences fédérales. Nous n'avons pas considéré les abandons dans les écoles provinciales. Voilà ce qui explique un peu pourquoi le tableau dont M. Battle a parlé a été ajouté. Il représente les inscriptions au total.

M. Orlikow: Étant donné que l'ensemble des élèves Indiens étudiant à l'école secondaire sont inscrits dans les écoles provinciales, maintenant, ce que nous avons encouragé, ne devrions-nous pas chercher à obtenir—ce qui sera plus difficile que dans le cas des écoles fédérales—des renseignements sur la situation des élèves Indiens qui sont inscrits dans les écoles qui ne sont pas fédérales? S'il y a un nombre d'abandons important, et si nous jugeons qu'il est aussi important, sinon encore plus important, pour les Indiens et les Esquimaux de terminer leurs études que pour les autres jeunes Canadiens, ne faut-il pas chercher à savoir pour quelles raisons ces élèves abandonnent leurs études.

M. Davey: Nous avons beaucoup hésité à suivre les élèves dans les écoles provinciales parce que ceci donne l'impression que nous en sommes responsables, et puisque nous ne pouvons pas contrôler les programmes provinciaux, nous ne sommes donc pas responsables de ces élèves. Nous croyons que les Indiens eux-mêmes devraient faire des représentations auprès des autorités provinciales et que nous ne devrions pas nous mêler de cette affaire-là.

Le deuxième problème, évidemment, vous en avez parlé. Il est très difficile de faire en sorte que les provinces fassent un travail supplémentaire relatif à des groupes d'élèves dans leurs écoles.

[*Texte*]

Mr. Orlikow: Mr. Chairman, I know that I asked many questions last time and other members want to ask questions. I would like an opportunity to try to analyze some of the very detailed answers which we are getting, which I appreciate a great deal. I do think, Mr. Chairman, that certainly we may feel that the suggestion I have made is difficult and we may feel that the provincial authorities or the local school districts may not be too happy. But the fact is that Indian children are different from other children in this respect, that if they fail when they get out of school, if they do not fit in, if they cannot get jobs, they become our responsibility whether we like it or not in terms of in many cases almost permanent welfare.

It seems to me that when that happens society has failed, and I would rather get at the problem if it can be reached earlier. I want—and I will finish on this—to reinforce the suggestion which Mr. O'Connell was making at the last meeting. I think the Department should look very carefully at a very extended program of research, probably by outside groups, by university groups, by education groups, by the Indians themselves, to try to assess what is wrong, if anything, with the education we have been providing for our Indian and Eskimo young people and what we can do to improve it.

We have made great improvements; nobody would deny that. But there is still a great gap and I want to endorse what Mr. O'Connell was suggesting at the last meeting, that the Department really look at this question of getting some hard research done on some of the problems which still remain.

The Chairman: You have not completed the answer, have you?

Mr. Battle: No, I have not. On the question of research, this is precisely what we are trying to do. I have a list—I do not know how much time you want to take on this, but I can list a number of research projects that we are engaged in at the present time.

The Chairman: I think members would be interested if you would go through the list.

Mr. Battle: The Blackfoot Indians—A Study in Culture—Miss B. Snell, The Ontario Institute for Studies in Education; The Improvement of Indian Education—G. L. McDiarmid and H. B. Narol, The Ontario Institute for Studies in Education; The Effects of the Employment of Teacher Aides As Across-cultural Bridges Between Indian Students and Non-Indian Teacher—University

[*Interprétation*]

M. Orlikow: Monsieur le président, je sais que j'ai posé beaucoup de questions l'autre jour. Je voudrais avoir l'occasion d'analyser les réponses détaillées qu'on a données, et que tous apprécient. Toutefois, monsieur le président, je sais que cette suggestion est difficile à mettre en exécution et que les autorités scolaires ou provinciales ne seraient peut-être pas trop heureuses. En fait, les enfants indiens ne sont pas tout à fait comme les autres et si ils ne peuvent pas s'adapter au système scolaire, s'ils ne peuvent pas obtenir d'emploi par la suite, ils deviennent notre responsabilité, des assistés sociaux en permanence.

Donc, la société aura failli à sa tâche dans ce domaine. Je pense qu'il faut s'attaquer au problème plus tôt. Je reprends la suggestion de M. O'Connell à la dernière séance. Je pense que le ministère devait étudier attentivement la possibilité d'établir un programme de recherches, probablement par des organismes extérieurs, par les universités, les éducateurs, par les Indiens eux-mêmes peut-être, pour essayer de déterminer ce qui ne va pas dans le domaine de l'éducation des jeunes Indiens et Esquimaux, et ce que nous pouvons faire pour améliorer la situation.

Je pense que tout le monde admettra qu'il y a eu beaucoup de progrès, mais il y a encore des lacunes. J'appuie la suggestion de M. O'Connell, que le ministère étudie cette possibilité de faire des recherches approfondies sur les problèmes qui demeurent.

Le président: Vous n'avez pas terminé, je pense.

M. Battle: Non. En ce qui concerne la recherche, c'est précisément ce que nous voulons faire. Je ne sais pas combien de temps vous voulez consacrer à cette question, mais j'ai une liste de programmes de recherche actuellement en marche.

Le président: Ce serait très intéressant pour le Comité.

M. Battle: Voici cette liste: *The Blackfoot Indians—A Study in Culture*—Mlle B. Snell, de la *Ontario Institute for Studies in Education. The Improvement of Indian Education* —G. L. McDiarmid et H. B. Carol, de la *Ontario Institute for Studies in Education. The Effects of the Employment of Teacher Aides as Across-Cultural Bridges between Indian Students and Non-Indian Teachers*—

[*Text*]

• 1000

of Calgary; The Effects of Interperson-Perceptions Upon Indian and Non-Indian Students' Achievement and Morale—University of Calgary; Urban Field Experiences As A Means of Broadening the Conceptual and Affective Systems of Native Indian Children—University of Calgary; Five-year Kindergarten Survey 1964-69—Education Branch, Ottawa, in co-operation with the Dominion Bureau of Statistics; Diagnostic Study of Reading Status of Saskatchewan Indian Students, James Gordon University of Regina; An Analysis of Miscues in Oral Reading of Indian Children—J. M. Irwin, University of Calgary.

Studies recently completed which were commissioned by the Education Branch are the following: Factors In Adjustment and Behaviour Patterns of Resident Pupils, Lewis C. Bishop, Saskatchewan; Pilot Relocation Project at Eliot Lake—J. J. Bond, Ottawa.

Studies recently completed within the Education Branch are the following: Vocational Training Students Completions, Failures and Employment Obtained; Survey of Indian School Leavers Grades 1-12; Evaluation of Basic Training for Skill Development; Evaluation of On-The-Job Training Programs 1967-68; a Longitudinal Study of Grade Failure in Federal Elementary Schools 1961-66; A Study of Standardized Reading Test Results of Indian Pupils in Federal Schools 1965-66 (Ottawa); Comparative Figures Indian Pupil Enrolment 1949-69.

Project proposals currently being considered by Education Branch are the following: Self-Instruction and the Canadian Indian Student—Rancourt, Doloschuk and Gillissie; The Influence of Education Programs Upon Occupational Aspirations and Attainments of Canadian Indian and Eskimo People-Researchers not yet decided upon; Manpower Surveys by Education District—by Department.

Of course, there is also the study that the Department financed and which was carried on by Dr. Hawthorne and Dr. Tremblay of U.B.C.

On the question of retardation, I was just going to table this, Mr. Chairman, but perhaps I should report it.

It has been seen from the above figures that steps taken by the Education Branch to reduce retardation have had considerable effect. Some of the specific programs inaugurated to help Indian pupils overcome their particular learning problems are:

[*Interpretation*]

Université de l'Alberta (Calgary) *The Effects of Interperson Perceptions upon Indian and Non-Indian Students' Achievement and Morale*—Université de l'Alberta (Calgary). *Urban Field Experience as a Means of Broadening the Conceptual and Affective Systems of Native Indian*— Université de l'Alberta (Calgary).

Five-Year Kindergarten Survey—Direction de l'éducation, Ottawa, avec la collaboration du Bureau fédéral de la statistique. *Diagnostic Study of Reading Status of Saskatchewan Indian Students*—James Gordon, Université de la Saskatchewan (Regina). *An Analysis of Miscues in Oral Reading of Indian Children*—J. M. Irwin, Université de l'Alberta (Calgary).

Voici les études terminées dernièrement et commandées par la Direction de l'éducation. *Factors in Adjustment and Behaviour Patterns of Resident Pupils*, Lewis C. Bishop, de la Saskatchewan. *Pilot Relocation at Elliott Lake*, J. J. Bond, Ottawa.

Puis, les études faites par la Direction de l'éducation. *Vocational Training Students Completions, Failures and Employment Obtained; Survey of Indian School Leavers, Grades 1-12; Evaluation of On-the-job Training Programs, 1967-1968; Evaluation of Basic Training for Skill Development; A Longitudinal Study of Grade Failure in Federal Elementary Schools, 1961-1966; A Study of Standardized Reading Test Results of Indian Pupils in Federal Schools, 1965-1966* (Ottawa); *Comparative Figures Indian Pupil Enrolment 1949-1969.*

Finalement, il y a certains programmes dont le ministère considère la mise sur pied: *Self-Instruction and the Canadian Indian Student*, Rancourt, Doloschuk et Gillissie; *The Influence of Education Programs upon Occupational Aspirations and Attainments of Canadian Indian and Eskimo People* dont les auteurs sont encore à choisir. *Manpower Surveys by Education Districts, by Department.*

Évidemment, il y a aussi l'étude financée par le ministère qu'ont fait messieurs Tremblay et Hawthorne, de l'Université de la Colombie-Britannique.

Au sujet du retard, j'allais verser ceci au dossier, monsieur le président, mais peut-être devrais-je le lire. On a vu, d'après les chiffres susmentionnés, que les mesures prises par la Direction de l'éducation ont eu des effets marqués. Voici quelques-uns des programmes mis sur pied pour aider les élèves indiens à surmonter leurs difficultés à apprendre.

[*Texte*]

(a) A special basic oral English course and action research into teaching procedures for the teaching of English to Indian beginners was inaugurated in 1959-60. The final addition of this course was put into use in all federal schools in 1962. It has since been used in Indian and provincial schools, as well as by C.U.S.O. The course was extended in 1962 and now covers kindergarten to grade six;

(b) Kindergarten programs for five year old students were started in 1959 and in 1966 some classes of four year old kindergarten children were in operation;

(c) A policy of continuous promotion of pupils through school was implemented in federal schools in June of 1967;

(d) Improved teacher recruitment and in-service training programs;

(e) Surveys of diagnostic and achievement tests which were administered to all students across Canada;

(f) The appointment of special field language arts consultants was commenced in 1965;

(g) The encouragement of curriculum adaptation and the production of special material;

(h) In 1968 an experimental training program for kindergarten teachers and Indian aides which I mentioned earlier in the program.

The courses that are going on for kindergarten teachers and Indian aides in the University of Saskatchewan and Manitoba are being extended this year. Similar programs will be started at the University of Calgary and Centennial College.

I would like to make another point here which Mr. Davey mentioned; it concerns Indian students who are attending provincial schools. I think that there is an awakening interest in these students. Indian parents are showing considerable interest as well and are making themselves heard; I think we should encourage this. I think the Department should strive to encourage Indian parents to make themselves heard when their children are attending provincial schools. Also we should keep in mind that the provinces and the administrators of the programs in the provinces are themselves becoming more interested in this matter. I think we should encourage this. However, I am not sure that the Department should continue to project itself into this kind of program. I have some doubt whether this is really in the long-term interest of the Indian people.

[*Interprétation*]

(a) Un programme spécial d'enseignement oral de l'anglais et de recherches actives dans le domaine de l'enseignement de l'anglais aux élèves indiens a été mis sur pied en 1959-1960. On a ajouté ce cours au cours des écoles fédérales en 1962. Depuis, on en a fait usage dans les écoles indiennes et provinciales, ainsi qu'au sein de S.U.C.O. En 1962, on a étendu la portée du cours, qui se donne maintenant à partir de la maternelle jusqu'à la sixième année.

(b) En 1959, on a mis sur pied des programmes pour les enfants de cinq ans et en 1966 certaines classes pour enfants de quatre ans fonctionnaient.

(c) On a mis en application une politique de promotion continue des élèves dans les écoles fédérales en juin 1967.

(d) Des programmes améliorés de recrutement des instituteurs et de formation en service.

(e) Des enquêtes sur les tests de capacité et diagnostiques auxquels tous les élèves du pays ont été soumis.

(f) En 1965, on a commencé à nommer des conseillers spéciaux en langues.

(g) L'encouragement de l'adaptation au cours et la production de matériel spécial.

(h) En 1968, un programme de formation pour les enseignants dans les maternelles et les assistants Indiens a été mis sur pied, comme je le disais.

Les cours pour enseignants dans les maternelles et pour les aides Indiens à l'Université de la Saskatchewan et à l'Université du Manitoba seront élargis cette année. Des programmes semblables seront mis sur pied à l'Université de l'Alberta à Calgary et au *Centennial College*.

J'aurais une autre chose à mentionner et dont M. Davey a parlé, au sujet des Indiens qui vont aux écoles provinciales. Je pense que l'intérêt pour ces élèves se ravive. Les parents indiens s'intéressent beaucoup aussi et je crois qu'il faut encourager cela. Je pense que le ministère doit s'efforcer d'encourager les parents indiens à se faire entendre, quand leurs enfants vont aux écoles provinciales. De plus, il ne faut pas oublier que les provinces et les administrateurs des programmes dans les provinces s'intéressent beaucoup à toutes ces choses. A mon avis, il faut encourager cela. Toutefois, je ne suis pas certain si le ministère devrait continuer à se lancer dans ce type de programmes. Je ne suis pas sûr que tous ces programmes soient dans les meilleurs intérêts des Indiens à la longue.

[*Text*]

• 1005

I had some other information to give, Mr. Chairman.

The Chairman: Do you wish to continue giving answers to the questions which you received last week?

Mr. Battle: Well, no, that is fine for now.

The Chairman: I wonder if we could have the agreement of Committee members that the return to be provided as the result of Mr. Orlikow's question and Mr. Badanai's question be made an appendix to the Minutes of this meeting. Is it agreed?

Some hon. Members: Agreed.

The Chairman: Would you continue.

Mr. Borrie: Are we getting away from the subject of dropouts?

Mr. Battle: I would be in this statement. This has to do with educational policies generally and the role of the Department.

Mr. Borrie: I wonder, Mr. Chairman, if you would permit me to bring about a greater awareness in the problem of dropouts using figures from Prince George which are right up-to-date. I think it should be a concern of the Department, although I know that you do not share that view completely. However, out of the 81 Indian students that were registered this year in the public school system, 33 per cent of them have dropped out.

That is a high figure with which I think the Department should be concerned. I would hate to see it completely ignore the responsibilities that it carries for the education of Indian children by saying that jurisdiction of this matter has been turned over to the provinces, and therefore the Department wishes to wash its hands of the entire subject. I do not think that you wanted to imply that; however, you felt that you should not interfere as much as you have done in the past. But when there is that number of students dropping out, there must be a reason. In any of the studies that you have already mentioned, is there any indication of why it is so high?

Mr. Cullen: Do you have a breakdown in terms of grades?

Mr. Borrie: No. I only have information on the over-all percentage. Out of 81 students, 27 dropped out this year that were registered at the beginning of the year. That is in the public school system. In the independent school system the rate was only 8 per cent.

Mr. Davey: Mr. Chairman, the situation in the Prince George area has been brought to

[*Interpretation*]

Monsieur le président, j'ai d'autres renseignements à livrer au Comité.

Le président: Voulez-vous continuer à répondre aux questions qu'on vous a posées la semaine dernière?

M. Battle: Non c'est assez pour l'instant.

Le président: Je me demande si les membres du Comité seraient d'accord que nous en revenions à la réponse à la question de M. Orlikow et que la question de M. Badanai soit versée au compte-rendu?

Des voix: D'accord.

Le président: Voulez-vous continuer.

M. Borrie: Nous nous éloignons de cette histoire des élèves qui quittent les études?

M. Battle: Oui, car la déclaration a trait à la politique de l'éducation en général et au rôle du ministère.

M. Borrie: Je me demande, monsieur le président, si vous me permettriez d'éveiller l'opinion au sujet de l'abandon des études grâce à certaines données en provenance de Prince George et qui sont très récentes. Je crois que le ministère devrait s'en préoccuper. Toutefois, je sais que le ministère ne partage pas mon opinion. Enfin, des 81 étudiants indiens inscrits aux écoles publiques cette année, le tiers ont abandonné leurs études. C'est une grosse moyenne et je crois que le ministère devrait s'inquiéter. Je ne voudrais pas que le ministère fasse fi de sa responsabilité en matière d'éducation des indigènes simplement parce qu'il a remis cette compétence aux provinces et qu'il veut se laver les mains de toute l'affaire. Je ne pense pas que vous ayez cela à l'esprit. Toutefois, le ministère a jugé bon d'intervenir moins que dans le passé. Cependant, quand un tel nombre d'élèves abandonnent l'école, il doit y avoir des raisons. Dans les études dont vous avez parlé, a-t-on proposé des raisons pour ces abandons en masse?

M. Cullen: Avez-vous la répartititon des abandons selon les années scolaires?

M. Borrie: Non, je n'ai que le chiffre global. De 81 élèves, 27 ont abandonné les études, de ceux qui étaient inscrits au début de l'année. Il s'agit des écoles publiques. dans les écoles indépendantes, ce chiffre était de 8 p. 100.

M. Davey: Monsieur le président, la situation dans la région de Prince George m'a été

[*Texte*]

my attention and we are looking into it. One of the problems that arises in connection with general statements of this nature is that there is not any uniformity in the definition of what is meant by a dropout. A student who was attending a school which was remote from his home—perhaps for family reasons and situations do change—may return home and get his education there during the school year. Some people have classified these as dropouts.

I cannot give you specific information about Prince George at the present time because this was only recently brought to my attention. However, we do intend to look into that and to explore all of the facts related to that situation.

Mr. Borrie: Thank you. That is all.

The Chairman: Mr. Thompson, do you still have a supplementary?

Mr. Thomson (Battleford-Kindersley): I have a supplementary in this area only. I have Indian reserves in my riding and I am wondering, if this is basically an emotional problem? Perhaps the difficulty is in disciplining themselves to the work, or in family pressures. I am not talking about percentages; I am talking about the basic reasons why they do these things. You have it in white schools, among white children too. However, I think that the Indian problem is a little different.

• 1010

Mr. Davey: We do have some breakdown as to the dropout figure that I have already given this morning. There are avariety of reasons given for those who did not continue with their education. Some dropped out to enter into employment; others got married. Some gave as the reason for dropping out that they were required to help their parents at home.

In some cases this was food-gathering activity and in other cases it was a matter of helping the mother at home with a large family. Then there was the matter of illness; and then a significant number whose reasons we really did not know.

But what really causes these people to drop out is that there is not agreement at the present time among researchers on what is the most important factor. It seems to vary from location to location. Quite extensive research has been done in this matter in the United States and there is not unanimity on what is the principal reason.

[*Interprétation*]

signalée, et nous l'étudions. L'un des problèmes, dans une déclaration comme celle-ci, c'est qu'il n'y a pas de définition générale d'un abandon des études. Un élève qui suivait ses cours à une institutions éloignée de chez lui a pu la quitter et aller suivre ses cours plus près de chez lui pour des raisons de famille ou autres, au cours de l'année scolaire.

Je ne puis vous donner des chiffres exacts en ce qui concerne Prince George en ce moment car j'ai été saisi du problème tout dernièrement. Toutefois, nous avons l'intention d'étudier la situation à fond.

M. Borrie: Merci beaucoup. C'est tout.

Le président: Monsieur Thomson, avez-vous toujours une question supplémentaire.

M. Thomson (Battleford-Kindersley): J'ai une question supplémentaire dans ce domaine. J'ai des réserves indiennes dans ma circonscription. Je me demande s'il ne s'agit pas ici d'un problème uniquement émotionnel? Peut-être ces gens ont-ils peine à se discipliner au travail, ou peut-être y a-t-il des pressions dans la famille. Je ne parle pas des pourcentages, je parle des raisons fondamentales de cette conduite. Cela existe dans les écoles chez les Blancs. Toutefois, je pense que le problème est légèrement différent chez les Indiens.

M. Davey: Nous avons fait une certaine répartition des chiffres que j'ai donnés ce matin. En ce qui concerne ceux qui ont complètement abandonné les études, il y a bien des raisons. Parfois, on quitte l'école pour travailler, parfois pour se marier. Certains élèves ont dit que leurs parents avaient besoin d'eux à la maison.

Dans certains cas, il s'agissait de pourvoir à l'alimentation, dans d'autres simplement d'aider la mère qui avait une grosse famille. Enfin, il y avait la question de la maladie. De plus, il y a un nombre élevé de gens qui abandonnent pour des raisons que nous ignorons.

Ce qui pousse les élèves à laisser leurs études, c'est qu'il n'y a pas d'entente actuellement entre les chercheurs sur ce qui est le facteur le plus important; cela semble varier d'un endroit à l'autre. Il y a eu beaucoup de recherches à ce sujet aux États-Unis, mais on n'a pas réussi à s'entendre sur la cause principale.

[*Text*]

Mr. Thomson (Battleford-Kindersley): Mr. Chairman, without pretending to have made a study, I have seen and talked with quite a few Indian people and I would suggest that emotional adjustment has an important bearing right up to university level. I am thinking specifically of some young people I have talked to who had problems when they went to university and I am sure it is a case of emotional adjustment to a different environment. I hope that when the Indian Affairs people are discussing or studying this they will do some research on what the basic reason is. I am sure that a lot of it is emotional adjustment.

I will pass for the moment.

Mr. Orlikow: Mr. Chairman, I have not looked at any recent figures but, as a general observation—I am not talking just about Indians—it is obvious young people who get the most education are most usually the children of parents who have had that kind of background.

Our Indian people until very recently have not had an orientation towards education, the children are going to school further than their parents did but there will not be the parental pressure for them to stay in school, which exists to a greater extent in the white community.

I want to suggest to Mr. Battle aht while in theory I can agree we should leave the relationship problems between the children and the school to their parents, I am afraid if we simply do that with Indian children we will have a lot more drop-outs than we ought to have. I think the Department has to give much thought and consideration to a solution of this problem. It may be that counselling would get them over the difficulties of adjusting away from home, as Mr. Thomson mentioned. I think the Department must make an extra effort because without this, without a further improvement—and again I do not want to belittle the improvements that have been made in the last 10 or 15 years—we are not going to help our Indian people break out of the welfare cycle they have been in for so long.

Mr. Davey: One thing that we have done, Mr. Chairman, in this regard is to encourage the provincial school districts to employ counsellors. In this way Indian Affairs does not come in between the home and the school. We have tried this in the Victoria and Williams Lake areas and we are very encouraged. We feel this is the direction in which we should move. At least this is one thing that will be

[*Interpretation*]

M. Thomson (Battleford-Kindersley): Monsieur le président, sans prétendre avoir fait une étude, j'ai vu et j'ai parlé à un certain nombre d'Indiens et j'en déduis que l'adaptation émotive est un facteur important même au niveau universitaire. Je pense précisément à certains jeunes gens à qui j'ai parlé et qui ont eu des problèmes au sein de l'université; je suis sûr que c'est une question d'adaptation émotive à un milieu différent. J'espère que la direction des Affaires Indiennes fera certaines recherches sur la cause fondamentale. Je suis sûr qu'un grand nombre de problèmes proviennent de l'adaptation émotive. Je cède la parole.

M. Orlikow: Monsieur le président, je n'ai pas vu les chiffres récents mais en guise de remarque générale—car je ne parle pas seulement des Indiens—les jeunes gens les plus instruits sont habituellement les enfants de parents instruits.

Ce n'est que depuis peu que les Indiens poursuivent leurs études; les enfants sont plus instruits que les parents mais ils ne les forcent pas à rester à l'école, coutume qui existe chez les Blancs.

Je dirais à monsieur Battle qu'en théorie je peux en convenir qu'on peut laisser le problème des relations enfants-école aux parents. Je crains que si nous faisons cela seulement avec les enfants indiens, il nous en restera plus à faire que nous le pensons. Je crois que le ministère devrait envisager sérieusement une solution à ce problème. Un service d'orientation pourrait peut-être leur aider à vaincre ces difficultés d'adaptation, des enfants éloignés de leur foyer comme l'a dit M. Thomson. Je crois que le ministère devrait s'efforcer encore une fois d'améliorer la situation—je ne veux pas minimiser les améliorations qui se sont produites depuis les 10 ou 15 dernières années—pour aider les Indiens à se libérer de ce mythe d'assistés sociaux permanents.

M. Davey: Ce que nous avons fait à ce sujet, monsieur le président, avait pour but d'encourager les commissions scolaires provinciales à employer des conseillers. Ainsi, la direction des Affaires indiennes n'intervient pas entre le foyer et l'école. Nous avons essayé ce système, à Victoria et dans la région du Lac William; les résultats furent très satisfaisants. Je crois que nous devrions

[*Texte*]

helpful—rather than employing our own people.

The Chairman: Mr. Thomson.

Mr. Thomson (Battleford-Kindersley): In this respect, Mr. Chairman, I think that the ordinary school system might do a little more research in this area too, because other students have emotional problems as well.

• 1015

The Chairman: I would like to ask a supplementary. Do you have anybody checking with provincial school authorities to find out whether the drop-out rate in a particular school is high or low? Are you keeping a check on this or have you washed your hands completely?

Mr. Davey: No, we have a fairly extensive counselling service which engages in the neighborhood of 150 counsellors whose job it is to maintain contact with the students and with the schools.

The Chairman: Do you give specific instructions to these counsellors to check on the drop-out rate in the provincial schools?

Mr. Davey: The focus of their concern is to check on individual drop-outs.

The Chairman: All individual drop-outs are reported to the counsellor by the provincial school boards?

Mr. Davey: This is correct.

Mr. Borrie: You have no record though.

Mr. Davey: No, we do not have a record of this.

Mr. Orlikow: Has the Department given any thought to what the effect on Indian education will be in a province like Ontario which is moving very drastically to a large county educational system? In a large county system the relatively small number of Indian adults and children is going to mean that they are not going to be very important—and this is not said in terms of criticism—in the total picture. Who is going to see that the interests of the Indian children are protected or looked after?

Mr. Davey: This already has given some cause for concern, particularly of course down in the Sarnia and Walpole Island area where there has been some controversy between the Indian community and the larger unit. We

[*Interprétation*]

agir dans ce sens. Au moins, cette mesure serait plus utile que d'utiliser notre propre personnel.

Le président: Monsieur Thomson.

M. Thomson (Battleford-Kindersley): A ce propos, monsieur le président, je crois que les commissions scolaires habituelles devraient entreprendre plus de recherches dans ce domaine parce que d'autres étudiants ont également des problèmes émotifs.

Le président: J'aimerais poser une question supplémentaire. Y a-t-il quelqu'un à votre ministère qui travaille conjointement avec les autorités scolaires provinciales pour savoir si le pourcentage des enfants qui laissent leurs études est plus ou moins élevé? Vous occupez-vous de cette situation?

M. Davey: Non, nous avons un service d'orientation assez important qui emploie 150 conseillers dont le travail est d'entretenir les relations entre les étudiants et les écoles.

Le président: Avez-vous demandé précisément à ces conseillers de vérifier le nombre d'enfants qui laissent leurs études dans ces écoles provinciales?

M. Davey: Leur préoccupation est d'étudier les cas particuliers.

Le président: Tous les cas sont rapportés aux conseillers, par les commissions scolaires provinciales.

M. Davey: C'est exact.

M. Borrie: Vous n'avez donc pas de rapport.

M. Davey: Non, nous n'avons pas de rapport à ce sujet.

M. Orlikow: Le Ministère a-t-il songé à étudier les effets sur l'instruction des Indiens dans une province comme l'Ontario qui prend des mesures radicales pour avoir un système scolaire plus important? Dans certains grands comtés, il y a très peu d'enfants et d'adultes indiens donc, leur situation n'est pas jugée importante par rapport à l'ensemble—je n'adresse pas là une critique. Qui veillera à ce que les intérêts des enfants indiens soient protégés?

M. Davey: Cette suggestion nous a déjà préoccupés, surtout dans la région de Sarnia et de l'Île Walpole où il y a eu un certain différend entre les collectivités indiennes et les grands centres. Nous nous sommes préoc-

[*Text*]

have been concerned about this and not just as a result of the creation of the larger school units. As far back as 1963 I had an opportunity to speak at a committee of Ministers of Education meeting in Quebec in connection with the Canadian education association and at that time I pleaded with them to extend representations on provincial school boards to the Indian people.

British Columbia, Saskatchewan and New Brunswick have overcome the problem of having the members of Indian bands vote in school board elections. Any Indian parent who now wishes to participate in school board elections can, by making application, be put on the list. This is the kind of thing that we are trying to do.

Mr. Marchand (Kamloops-Cariboo): Are they allowed to vote on money referenda as well?

Mr. Davey: I am sorry, I cannot answer that question because I do not know.

Mr. Marchand (Kamloops-Cariboo): You do not know if this is the case for British Columbia or any other places?

Mr. Davey: I am not able to answer that question specifically. But they can take part in elections, become school board members and, indeed, are represented on some school boards.

Mr. Marchand (Kamloops-Cariboo): I attended a meeting in Kamloops last week which was looking at integration of Indian children into the schools. It was a great meeting, with one of the best representations of provincial people at any of the Indian conferences that I have ever seen. I thought the

• 1020

whole exercise was just great and there was considerable interest exhibited by the provincial people at the working level—there were no politicians there. It was fantastic.

We were talking about this very thing and mention was made that—although Indian parents could now participate in elections and become members of school boards they could not participate in money referenda or money by-laws.

Since the federal government department is making a per capita contribution on behalf of these children to the provincial government which passes it on eventually to the municipalities, should we not try to have this extended so that they can participate in money by-laws as well?

[*Interpretation*]

cupés de ce problème non pas simplement pour le résultat de la création de grandes écoles. En 1963, à Québec, j'ai eu l'occasion de parler aux ministres de l'éducation, dans le cadre de l'Association canadienne de l'éducation; à ce moment-là, je les ai priés de permettre à un plus grand nombre d'Indiens de faire partie d'un plus grand nombre de commissions scolaires provinciales. La Colombie-Britannique, la Saskatchewan, et le Nouveau-Brunswick ont solutionné le problème qui est de permettre aux Indiens de participer aux élections des commissions scolaires. Tous parents indiens qui désirent participer aux élections des commissions scolaires peut le faire sur demande. Voilà le genre de chose que nous essayons de réaliser.

M. Marchand (Kamloops-Cariboo): Peuvent-ils noter les questions d'argent également?

M. Davey: Je m'excuse parce que je ne connais pas la réponse à votre question.

M. Marchand (Kamloops-Cariboo): Savez-vous si cette situation existe en Colombie-Britannique ou ailleurs?

M. Davey: Je ne peux pas répondre à votre question avec précision. Toutefois, ils peuvent participer aux élections, devenir membres des commissions scolaires et ils sont, de fait, membres de quelques commissions scolaires.

M. Marchand (Kamloops-Cariboo): La semaine dernière, à Kamloops, j'ai assisté à une réunion qui avait pour but l'intégration dans les écoles, des enfants indiens. On tenait une réunion importante où assistaient les meilleurs représentants provinciaux de toutes les réunions d'Indiens auxquelles j'ai assisté.

Je crois que la réunion dans l'ensemble fut magnifique, que les représentants provinciaux semblaient intéressés. Il n'y avait aucun politicien: c'était fantastique.

On a parlé de ce problème important et on a dit que même si les parents indiens peuvent voter aux élections et devenir membres des commissions scolaires, ils ne peuvent voter les questions ou les règlements financiers.

Puisque le ministère fédéral paie une allocation au nom de ces enfants au gouvernement provincial qui donne l'argent aux municipalités, ne pourrions-nous pas exiger de pouvoir participer également au règlements financiers?

[*Texte*]

Mr. Battle: I think, Mr. Chairman, this is definitely a direction in which our policy should go because it has arisen not only in British Columbia, but it has arisen in southern Ontario as well. I am not sure in my own mind at the moment how we might pursue this, but what we may have to do is try a new approach under which the funds being paid over for education would be paid to the band so that it, in turn, would contribute to the local cost of education. This is an approach that we may have to look at. There may be some other way of doing this, I cannot say at the moment, but this is one of the alternatives.

Mr. Marchand (Kamloops Cariboo): Mr. Chairman, I would like to reinforce something that Mr. Battle said a few minutes ago. The answer has to be the participation of parents in the various structures of the school system at the local level participation in school boards, parent-teacher associations and these sorts of things right at the local level. This is where it has to be and Indian Affairs will have to play a role, and is playing a role, but this role will have to be diminished. I feel if the Indians are going to develop as people and participate in all aspects of Canadian life they cannot have Indian Affairs mother-henning them every place they go. I just wanted to reinforce what Mr. Battle said.

I have one other supplementary question. How is the payment of the Indian participation in the provincial schools worked out? How do you work out paying for them? What is the physical process?

Mr. Davey: There are two processes. Where we have been able to make an agreement with a province which covers the enrolment—I am speaking now only of operating costs—where it has been possible to work out an agreement with the province where a flat rate is set for all Indian children in provincial schools, this is done by isolating the provincial operating cost and arriving at a per capita cost for operating purposes. This becomes then the tuition fee that is paid to the province.

Mr. Marchand (Kamloops Cariboo): Is there some other cost beside the provincial cost or is this the total amount that it would cost to educate a child, say, in an individual school district, or is this only a place where the province is contributing to the cost of the education?

Mr. Davey: This applies, and of course the vast majority of the children who are in nonfederal schools are in provincial schools.

[*Interprétation*]

M. Battle: Je pense, monsieur le président, que notre ligne de conduite suit cette direction parce que cela a été soulevé non seulement en Colombie-Britannique mais aussi dans le sud de l'Ontario. Je ne sais pas très bien comment nous pourrions procéder, mais ce que nous serions peut-être tenus de faire c'est d'essayer d'adopter une nouvelle optique selon laquelle les sommes d'argent consacrées à l'éducation seraient versées à la bande indienne, et qui contribuerait en revanche à défrayer le coût de l'éducation locale. C'est une façon que nous devrons peut-être examiner. Il y a peut-être d'autres façons d'aborder le problème, je ne le sais pour l'instant, mais c'est une des solutions en tout cas.

M. Marchand (Kamloops-Cariboo): Monsieur le président, je voudrais revenir sur ce que monsieur Battle a dit tantôt. Il faut compter sur la participation des parents dans les diverses structures du système scolaire au niveau de la participation locale, aux conseils scolaires, aux associations parents-maîtres et autres du genre. C'est ce qu'il faut et le ministère des Affaires indiennes devra jouer un rôle et jouera un rôle, mais ce rôle sera diminué. Je pense que si les Indiens trouvent leur identité et participent à tous les aspects de la vie canadienne, ils ne peuvent s'attendre à ce que le ministère des Affaires indiennes s'occupent d'eux dans tous les endroits où ils se rendent. Je voulais simplement donner plus de force à ce que monsieur Battle a dit. J'ai une autre question complémentaire, à poser. Comment les Indiens participent-ils aux écoles provinciales? Comment cela est-il fait? Quelle en est la procédure?

M. Davey: Il y a deux méthodes. Quand nous avons pu conclure une entente avec une province relativement à l'inscription des élèves, je ne parle pas que des frais de fonctionnement, là où un taux est fixé pour tous les enfants indiens dans les écoles provinciales, et ceci est réalisé en isolant les coûts provinciaux de fonctionnement des écoles. On arrive ensuite au coût par personne aux fins d'exploitation. Cela constitue donc les frais d'inscription versés à la province.

M. Marchand (Kamloops-Cariboo): Est-ce qu'il y a des coûts à part les coûts provinciaux ou est-ce le montant global qu'il faut pour éduquer un enfant, disons, dans une école de district ou seulement une place où la province contribue au coût de l'éducation?

M. Davey: Ceci s'applique et naturellement, la majorité des enfants qui ne sont pas inscrits dans les écoles fédérales le sont aux

[*Text*]

It is a total of the operating cost less such things as debenture payments, less the costs which are not applicable to Indian students; for example, it may be necessary for the Branch to provide transportation and where that is the case this amount is deleted from the operating cost. Virtually the same approach is used except that in the case of local school boards our payments are based on audited statements.

[*Interpretation*]

écoles provinciales. C'est le coût total des frais d'exploitation, moins les coûts, comme le paiement des obligations, moins les coûts qui ne s'appliquent pas aux élèves indiens. Par exemple, il peut être nécessaire que la direction assure le transport et en pareil cas, ce montant est déduit du coût d'exploitation. C'est à peu près la même approche qui prévaut pour les conseils scolaires locaux. Nos paiements sont fondés sur la vérification des états financiers.

• 1025

Mr. Marchand (Kamloops Cariboo): You pay a per capita cost?

Mr. Davey: That is right.

Mr. Marchand (Kamloops Cariboo): This applies to the area in which you do not have over-all agreements with the provinces. Have you ever had any requests or complaints from municipal school boards in British Columbia that the province was not paying them the amount that you were paying the province on a per capita basis?

Mr. Davey: Yes, we did have complaints and, of course, we said this was a matter to be resolved between the school board and the province.

Mr. Marchand (Kamloops Cariboo): This point came out, too, some of the school board, school administrators mentioned this happening. They were wondering if they should not go back to a basis where the individual school boards could enter agreements with the federal government directly so they would get their per capita payment directly from the federal government. What do you think about this?

Mr. Davey: I hope that reversion does not take place for a variety of reasons. One of the principle ones is that at the present time we have youngsters in hundreds of school districts, and the amount of paper work is fantastic, whereas if we can enter into an agreement with the province, so much the better. It saves the paperwork. Even more important than that it establishes the kind of relationship that should exist between the province and the school board. We should not try to exercise control over a program which we have no facilities for controlling. This would be the second reason I would hope that such a reversion would not take place.

Mr. Marchand (Kamloops Cariboo): Mr. Chairman could I just continue for another

M. Marchand (Kamloops-Cariboo): Vous payez un coût par tête d'habitant?

M. Davey: Oui.

M. Marchand (Kamloops-Cariboo): C'est le même cas quand vous n'avez pas d'entente globale avec les provinces. Avez-vous déjà reçus des demandes ou des plaintes de la part des conseils scolaires municipaux de la Colombie-Britannique à savoir que la province ne leur payait pas la somme que nous versions à la province par tête d'habitant.

M. Davey: Oui, nous avons reçu des plaintes à ce sujet, et nous avons répondu naturellement que c'était une question qui devait être réglée entre le conseil scolaire et la province.

M. Marchand (Kamloops-Cariboo): Cette question a été soulevée également par les administrateurs d'école des conseils scolaires. Ils se demandaient s'il ne faudrait pas revenir à la base où le conseil scolaire pourrait conclure des ententes directement avec le gouvernement fédéral afin d'obtenir du gouvernement fédéral un paiement établi par tête d'habitant. Qu'en pensez-vous?

M. Davey: J'espère que ceci n'arrivera pas pour diverses raisons. Une des premières raisons, c'est qu'à l'heure actuelle, nous avons des jeunes dans des centaines d'écoles de district et le travail de paperasserie est absolument fantastique. Si nous pouvons conclure des ententes avec la province, ce serait beaucoup mieux et on pourrait éviter tout le travail administratif inutile. En tout cas, cela établit la sorte de relation qui devrait exister entre les provinces et le conseil scolaire. Nous ne devrions pas essayer d'exercer un contrôle sur un programme que nous ne pouvons pas contrôler. Ce serait la deuxième raison pour laquelle j'espère qu'on ne procédera pas comme vous l'avez laissé entendre.

M. Marchand (Kamloops-Cariboo): Puis-je poser une autre question complémentaire,

[*Texte*]

minute? I have only one more supplementary question. We were talking about the environmental situation. I suppose in talking about the total Indian environment we include success at school, although it was not said in so many words. You cannot isolate any single factor and say this is the reason for dropout rates. One of the suggestions made by some groups is that perhaps we should consider an Indian college. Has the Department undertaken any studies looking at all of the factors involved in an Indian college, an Indian university, and what the success rate might be in one of these places compared to say a university where everyone goes?

Mr. Davey: I would not go as far as to say that we have made some studies of this. You probably are aware that down at Rough Rock on the Navajo reservation there is a school operating now, which has two main components; a regular school program plus an adult education program. The program has only been operating, I think, two years but the reports to date are optimistic. Other than that we have not made a study of this particular question.

Mr. Marchand (Kamloops Cariboo): Do they offer university education there as well?.

Mr. Davey: No, I do not believe there are any university courses offered at all.

Mr. Marchand (Kamloops Cariboo): You have no studies looking at this suggestion?

Mr. Davey: No, we have not.

Mr. Marchand (Kamloops Cariboo): Would you consider it?

Mr. Davey: I think we are going to have to consider it because there appears to be a growing demand that this be considered at any rate.

Mr. Marchand (Kamloops Cariboo): What I am getting at here, Mr. Chairman, is that I am all for us participating in all aspects of Canadian life, and competing toe-to-toe with everybody else and going to school with everybody else. I think these are ideal situations. I just wonder what real consideration has been given to looking at the total environment. What is wrong with success if we can attain success, perhaps, through another environment that is familiar to the Indian people. If we can acquire tools to get along in the world in an environment that is more conducive then perhaps we should look at it. This is all I am saying.

Mr. Davey: I think one of the major contributing factors to the difficulties which Indi-

[*Interprétation*]

monsieur le président? Nous parlons du milieu. Je suppose qu'en parlant du milieu des Indiens, nous sous-entendons la réussite en classe même si on ne l'a pas dit avec de si nombreux termes. Vous ne pouvez pas isoler un seul facteur et dire que c'est la raison qui explique le taux des abandons. Quelques groupes ont proposé que nous pourrions étudier l'idée d'un collège indien. Est-ce que le ministère a entrepris des études pour examiner tous les facteurs qui se rattachent à la création d'un collège indien ou d'une université indienne, et quel succès pourrait-on connaître par rapport à une université où tout le monde va?

M. Davey: Je n'irais pas jusqu'à dire que nous avons un peu étudié cette question. Vous savez probablement qu'à Rough Rock dans la réserve Novajo, il y a une école qui fonctionne sur deux bases: un programme scolaire régulier et un programme d'éducation des adultes. Je crois que le programme n'existe que depuis deux ans seulement mais jusqu'à présent, les résultats sont encourageants. Pour ce qui est du reste, nous n'avons pas étudié la question.

M. Marchand (Kamloops-Cariboo): Offrent-ils des cours universitaires en cet endroit?

M. Davey: Non, je ne crois pas.

M. Marchand (Kamloops-Cariboo): Vous n'avez pas d'études là-dessus?

M. Davey: Non.

M. Marchand (Kamloops-Cariboo): Est-ce que vous verriez la possibilité d'en organiser?

M. Davey: Je pense qu'il faudra examiner cette question parce qu'il semble y avoir une demande croissante.

M. Marchand (Kamloops-Cariboo): Ce que je voudrais dire, monsieur le président, c'est que je suis tout à fait pour la participation à la vie canadienne, et la fréquentation des mêmes écoles. Ce sont à mon avis des situations idéales. Je me demande seulement si on a étudié suffisamment le milieu des élèves. Ce qui ne va pas sur le plan du succès, si nous pouvons y arriver peut-être dans un autre milieu qui serait connu des Indiens. Si nous pouvons trouver les moyens pour qu'il se tire d'affaire dans la vie, dans un milieu qui lui est plus favorable, je pense qu'il faudrait étudier cette possibilité. C'est tout.

M. Davey: Je pense qu'un des facteurs les plus importants face aux difficultés que ren-

[*Text*]

an people experience in receiving an education in an urban centre, and that is I think what we are speaking about, is the fact that the indian boy or girl, or young man or young woman, when they come into the urban centre feel very lonely. They have difficulty in relating to other people. This suggests one of the reasons why this kind of thing should be looked at.

Mr. Marchand (Kamloops Cariboo): I would like to see academics in various parts of the country really have a good, long, hard look at this thing and come up with some suggestions about Indian colleges and these sorts of things.

• 1030

Mr. Davey: This problem, of course, is not peculiar to Indians either. The dean of students at Carleton University tells me that people coming from a rural environment to the University have much more difficulty adjusting than do those who come in from the urban centres.

The Chairman: Excuse me, gentlemen, Mr. Borrie indicated at the very beginning that he had questions and I have bypassed him. I am going to give him the opportunity of continuing his questions. Mr. Battle, did you complete your questions?

Mr. Battle: I did not, but that is fine.

Mr. Borrie: I will try not to take too much time, Mr. Chairman, because I know there are others who do have questions. Again I want to come back to complete the questioning, and I mentioned at the last meeting I would dig up some more information. I must correct a misunderstanding that I may have created when I suggested that some of the parochial, or some of the residential sectarian schools were under contract with the Department of Education of British Columbia. Since then I have found out that this is not true.

When we met last Tuesday I asked a question of Mr. MacDonald about the phasing out of residential schools and the answer I got was "yes", I believe, but that British Columbia residential schools would not be affected by this new policy. I took the answer at face value and just left it at that, but since then I have found that the Department—and would you say that this is true or false—is contemplating the phasing out of the schools that are considered now to be residential schools and turning them into nothing but hostels and that the phasing out in British Columbia should be completed by 1974. Is this correct?

[*Interpretation*]

contrent les Indiens lorsqu'ils viennent étudier dans les milieux urbains c'est que chez les Indiens, garçon ou fille, jeune homme ou jeune fille, ils se sentent très seuls. Ils ont de la difficulté à établir des liens avec les autres. Cela explique pourquoi il faut étudier ce problème.

M. Marchand (Kamloops-Cariboo): J'aimerais que des universitaires des diverses parties du pays, examinent attentivement cette question et présentement des propositions sur les collèges indiens et autres.

M. Davey: Ce problème n'est pas un problème propre aux Indiens. Les doyen des étudiants de l'université de Carleton me dit que les gens qui viennent du milieu rural à l'université ont beaucoup plus de difficulté à s'intégrer au milieu que ceux qui viennent des centres urbains.

Le président: Excusez-moi, messieurs. Monsieur Borrie a indiqué, au tout début, qu'il avait des questions et je l'ai oublié. Je veux donc lui donner l'occasion de prendre la parole ou de répondre. Monsieur Borrie avez-vous posé toutes vos questions?

M. Battle: Non, mais ça ne fait rien.

M. Borrie: Je ne voudrais pas prendre trop de temps, monsieur le président, parce que je sais que d'autres membres ont des questions à poser. Mais je voudrais revenir sur cette question qui a été mentionnée à la dernière réunion, afin d'obtenir davantage de renseignements. Je voudrais corriger un malentendu que j'ai peut-être créé en disant que certaines écoles résidentielles ou paroissiales ou confessionnelles, étaient sous contrat avec le ministère de l'Éducation de la Colombie-Britannique, j'ai découvert que ce n'était pas vrai.

Quand, à la réunion de mardi dernier, j'ai posé une question à M. Macdonald au sujet de la désuétude des résidences d'enfants indiens, je pense qu'il m'avait répondu oui, mais que les écoles indiennes de la Colombie-Britannique ne seraient pas affectées par cette politique. J'ai considéré la réponse d'après ce que je pouvais en tirer de prime abord, puis on m'a dit que le ministère songe à transformer ces écoles qui sont maintenant considérées comme des écoles résidentielles pour en faire des hôpitaux. Mais je pense qu'en Colombie-Britannique ce déphasage devrait être terminé en 1973 ou 1974 au plus tôt.

[*Texte*]

Mr. Davey: This is certainly the direction in which we are moving, and in that regard, of course, we have the support of those authorities who were previously operating these units.

Mr. Borrie: Yes, but do you have the authority, or have you at least consulted with the people concerned, the parents of the children who will be going to these schools?

Mr. Davey: The admission to an Indian residential school, or an Indain residence, is not a right of the people. It is a very special program which is designed to meet particularly problems. As those problems diminish, of course, the need for the residence will also diminish.

Mr. Borrie: Yes.

Mr. Davey: With regard to the admission of the pupils in residence to the schools which serve other children, these residences draw their enrolment from a great variety of communities. They do not serve just one community. So, it is not possible to get a consensus from Indian communities in respect of this particular type of service.

Mr. Borrie: Just using the Lejac Indian school as an example, I have letters here from the parents themselves who object to the fact that the residential school is going to be phased out and turned into a hostel. It would seem to me from the letters I have received that the people who are mostly concerned with this, the Indians themselves, have not been consulted. The reason they are concerned about it is that their children have to move far away from their own homes to attend schools, because of some of the residential schools being closed down as residential and kept on as hostels. For example, keeping Lejac as a hostel would mean that they would have to travel by bus from there to Vanderhoof to go to school. They may as well travel from the reservation.

Mr. Davey: Yes, the distance, if my memory is right, is about 35 miles. Would that be a fair estimate?

Mr. Borrie: Yes.

Mr. Davey: With good roads, and I understand the highway is paved, this is not an unusual distance. But for those children who live on reserves near the residence, certainly they should be attending on a day basis and should not be in the residence.

[*Interprétation*]

M. Davey: Oui, nous nous orientons dans cette voie et nous avons l'appui des autorités qui avaient la direction de ces unités.

M. Borrie: D'accord, mais avez-vous au moins consulté les intéressés, les parents des enfants qui iront à ces écoles?

M. Davey: L'admission à une résidence indienne n'est pas un droit des gens, c'est un privilège spécial aux termes d'un programme qui est destiné à répondre à des problèmes tout à fait particuliers. Comme ces problèmes diminuent, évidemment, on aura moins besoin de ces résidences.

M. Borrie: Oui.

M. Davey: En ce qui concerne l'admission des élèves en résidence dans les écoles générales pour tous les enfants, les enfants inscrits dans ces résidences viennent de collectivités diverses. Une résidence ne dessert pas qu'une seule collectivité. Donc, il est impossible d'obtenir l'accord presque unanime des collectivités indiennes en ce qui concerne ce service spécial.

M. Borrie: Si on prend l'exemple de l'école indienne de Lejac, j'ai des lettres ici-même des parents qui s'opposent à ce que les résidences indiennes deviennent des auberges. D'après les lettres que j'ai reçues, ceux qui s'inquiètent le plus de cette décision, ce sont les Indiens eux-mêmes qui n'ont pas été consultés. Leurs enfants doivent se rendre si loin de la maison pour fréquenter l'école que l'on crée ainsi des problèmes. Par exemple si on transforme l'école de Lejac en auberge, les enfants devront voyager par autobus jusqu'à Vanderhoof pour se rendre à l'école. Ils pourraient tout aussi bien se rendre depuis la réserve dans un cas comme cela, c'est tout aussi loin.

M. Davey: Oui, si je me souviens bien la distance est d'environ 35 milles. Est-ce exact?

M. Borrie: Oui.

M. Davey: Et avec des bonnes routes, et on me dit que la route est très bonne, ceci n'est pas une distance extraordinaire. Mais il me semble que pour les enfants qui vivent dans les réserves près de la résidence ils devraient certes aller à l'école au jour le jour et non pensionner dans les résidences.

[*Text*]

Mr. Borrie: Some of them do not agree with you and I thought you should be made aware of their feelings.

Mr. Davey: Yes, I know this.

Mr. Borrie: I am sure you are aware of the meeting which was held in Fort St. James regarding this matter.

• 1035

Is it also true that the hostels will be operated by the religious bodies and that the main administrator will be a person appointed by that religious faith and that the staffing will be by the civil service?

Mr. Davey: This is substantially correct, yes. This has gone into effect as of April 1, 1969.

Mr. Borrie: What authority is the administrator going to have over the staff?

Mr. Davey: The administrator of the residence will be a public servant, but the appointment is exempted from the operation of the Public Service Employment Act. Therefore, we can accept nominations from the church with regard to the appointment of the administrator. But he has control over the staff in the residence.

Mr. Borrie: What happens when an applicant wants to work as a den mother or residential mother or a caretaker? What happens to an applicant? Does he or she have to belong to the same faith as the Order that actually owns the building?

Mr. Davey: The control of the appointment of the child-care workers rests with the administrator, who is, in most cases, the nominee of a church body. The other staff members are not necessarily members of any particular faith.

Mr. Borrie: I can see a conflict that may arise from that, Mr Chairman

Mr. Battle: Mr. Chairman, we recognize the problems in this area. It was not particularly a direction that our Department wanted to take. We were required to do so. Therefore, the arrangement that was worked out was a sort of compromise which was acceptable to the Church people as well as to the Department. This is really about the best we can do under the circumstances.

Mr. Borrie: Who initiated this procedure?

[*Interpretation*]

M. Borrie: Certains ne sont pas d'accord avec vous. Je pense qu'il faut être au courant de ce que pensent ces gens.

M. Davey: Oui, je sais.

M. Borrie: Je sais très bien que vous êtes au courant de la réunion qui s'est tenue à Fort St. James à ce sujet. Est-il vrai aussi qu'en ce qui concerne les auberges, qu'elles seront dirigées par des ordres religieux, et que les principaux administrateurs seront des religieux ou quelqu'un qui sera nommé par l'ordre religieux, et que la Fonction publique fournira le personnel de soutien?

M. Davey: Oui, c'est à peu près cela, monsieur. Et ceci existe déjà depuis le 1er avril de cette année.

M. Borrie: Quel pouvoir l'administrateur aura-t-il sur le personnel?

M. Davey: L'administrateur d'une résidence sera un fonctionnaire de l'État, mais sa nomination est exemptée des dispositions de la Loi sur la Fonction publique. Donc, nous pouvons exempter les nominations en ce qui concerne les administrateurs. Cette personne est soustraite à la Loi de la Fonction publique, mais elle a la direction du personnel de la résidence. Ainsi, les Églises peuvent nommer cette personne.

M. Borrie: Que se passe-t-il quand une personne qui fait une demande d'emploi pour être préposée aux soins des enfants, est-ce que cette personne doit appartenir à la même religion que celle professée par l'ordre religieux qui est propriétaire du bâtiment?

M. Davey: Le contrôle des nominations des préposés aux soins des enfants relève de l'administrateur qui, dans la plupart des cas, est nommé par un ordre religieux, mais les autres membres du personnel ne sont pas nécessairement des membres de cet ordre religieux ou d'une confession religieuse.

M. Borrie: Je crois qu'il y a possibilité de conflit.

M. Battle: Nous reconnaissons, monsieur le président, qu'il y a là un problème. Ce n'est pas particulièrement l'esprit dans lequel nous voulions nous engager mais nous devions agir ainsi. Nous reconnaissons que cette entente a été réalisée à la suite d'un compromis qui a été accepté par les ordres religieux et par le ministère et c'est le mieux que nous pouvions faire à ce moment-là, dans les circonstances.

M. Borrie: Qui est l'auteur de cette initiative?

[*Texte*]

Mr. Davey: The way in which this came about was that a union in Ontario, the Canadian Union of Public Employees, made representations to the Ontario Labour Relations Board for certification as the bargaining agent for the employees at a particular residence. The application for certification was turned down by the Ontario Labour Relations Board on a technicality. CUPE then reconsidered its position and decided that it should make application to the Canada Labour Relations Board, which they did.

The Canada Labour Relations Board then ruled that these people, although they were, in effect, employed by the Churches, were really, for the purposes of the labour relations act, Crown employees. For that reason the Canada Labour Relations Board turned down the application.

This put us in a position where we had people who were appointed and paid by the Churches being considered, for the purposes of that particular act, as Crown employees, and they were denied the opportunity of collective bargaining.

This was about 1965. We spent two years discussing the matter with the Churches trying to find some way in which we could contract this service and at the same time give the employees the privileges of collective bargaining. We were finally told that there was only one thing to do and that was to take them on our establishment, and this is what we have done.

Mr. Borrie: I cannot understand why you have not got more gray hairs.

I would like to refer to the meeting that Mr. Marchand mentioned a moment ago, which was a symposium co-sponsored by the Department of Indian Affairs, UBC Extension Branch, and the B.C. school trustees. Unfortunately, not everyone shared Mr. Marchand's opinion that the meeting was very productive. I understand the meeting was on the integration of the school. The guest speaker was a chap by the name of Powell, one of the B..C school trustees, and he blasted—this is the way it was reported in the newspaper—the sectarian schools by saying that these schools should take a hard look at themselves to make sure they are not in fact harming the youngsters who are entrusted to their care. As this meeting was jointly sponsored by the Department, is this a view that is shared by the Department of Indians Affairs? By saying

[*Interprétation*]

M. Davey: Ceci s'est réalisé de la façon suivante: Un syndicat, en Ontario, la *Canadian Union of Public Employees* a fait des représentations auprès de la Commission des relations de travail de l'Ontario en vue d'une reconnaissance comme agent négociateur pour les employés d'une résidence donnée. Cette demande de reconnaissance a été refusée par la Commission ontarienne des relations de travail pour une raison technique. Et alors, le syndicat a reconsidéré sa demande et a décidé de s'adresser à la Commission des relations de travail du Canada.

Et alors, la Commission a décidé que ces gens, même s'ils sont en fait des employés d'une Église ou d'un ordre religieux, sont en fait aux fins de la Loi sur les relations de travail, des employés de la Couronne ou des fonctionnaires fédéraux, et pour cette raison, la Commission des relations de travail du Canada a refusé la demande.

Voilà pourquoi nous avons des gens nommés et payés par les ordres religieux et ils sont toutefois considérés aux fins de cette loi comme des fonctionnaires publics et ils n'ont pas le droit donc, ils n'avaient donc pas l'occasion de conclure des conventions collectives.

Ceci a commencé en 1965 et nous avons passé deux ans à discuter de cette question avec les ordres religieux, chercher à trouver un moyen d'avoir recours à ces services par voie de contrat et tout en même temps de donner aux employés le privilège des conventions collectives. Et finalement, on nous a dit qu'il n'y avait qu'une seule chose à faire c'était de les considérer comme membres de notre personnel, et c'est précisément ce que nous avons fait.

M. Borrie: Je ne comprends pas pourquoi vous n'avez pas plus de cheveux blancs!

J'aimerais revenir à la réunion que M. Marchand a mentionnée il y a quelques instants, c'est une conférence qui s'est déroulée sous les auspices de la direction des Affaires indiennes, l'UBC Extension Branch et les autorités scolaires de Colombie-Britannique. Tous ne partagent pas l'avis de M. Marchand au sujet des résultats de cette réunion. Si je me souviens bien, la rencontre était au sujet de l'intégration des écoles. L'orateur invité était M. Powell, un des administrateurs scolaires de Colombie-Britannique et selon un reportage de la presse, il a critiqué le système scolaire, en disant que les écoles séparées devraient faire leur examen de conscience et être bien sûres qu'elles ne font pas de tort aux enfants qui leur sont confiés. Du fait que ce colloque était organisé par la Direction des affaires indiennes exprimait-il l'opinion de

[*Text*]

this was he expressing the opinion of the Department of Indian Affairs? Naturally, this is taken out of context.

Mr. Davey: I think the record of the branch in this particular respect is quite clear. We have substantially supported these schools—I was going to call them separate schools in British Columbia, for example—not only through the payment of tuition fees at the same rate as the payment to the province but also through the payment of grants towards the construction of school facilities, and although we do not get any recognition for it this includes a substantial grant towards the cost of the Prince George College.

Mr. Borrie: You make it sound as if it were an outright gift but I think that is on a per capita student basis, is it not?

Mr. Davey: That is correct. Both the payments for tuition fees and for capital are on a per capita basis.

Mr. Borrie: Is the public relations firm of Wilson and Wilson employed by the Department of Indian Affairs?

Mr. Battle: They are under special contract.

Mr. Borrie: Were they instructed by the Department in any way to co-operate with Mr. Powell in releasing a copy of his speech to the press prior to presenting his speech at that meeting?

Mr. Battle: I really do not know. Not that I am aware of, but I would not know without checking.

Mr. Borrie: The reason I am asking, Mr. Chairman, is because a couple of the Indian parents from Hazelton attended that meeting and after the meeting they asked a very good friend of mine who was there "Is the Department trying to push public schools down our throats"? If they are concerned in this way, and with the type of presentation that Mr. Powell made, you can understand why they are concerned. Because of the confusion of the phasing out of the residential schools and the recent agreement with the Province of British Columbia to educate Indian children

• 1045

you can understand why there is a great concern. This is particularly so for the people in the Fort St. James area who are using the residential school around Lejac much more than the people in the Prince George area would be required to use it. They seem to have a feeling that there is either a written or

[*Interpretation*]

celle-ci? Évidemment, c'est un passage hors de son contexte.

M. Davey: Je crois qu'à ce sujet la direction a des objectifs très clairs. Nous avons aidé sensiblement ces écoles, j'allais dire ces écoles séparées de Colombie-Britannique, par exemple, non seulement en versant les frais de scolarité au même taux que les autorités provinciales, mais aussi en versant des subventions pour la construction d'écoles, et aussi bien que personne ne semble l'apprécier, nous avons versé des subventions importantes pour les coûts de construction du collège de Prince-George.

M. Borrie: Vous en parlez comme s'il s'agissait d'un don sans conditions, mais en fait il s'agit d'une subvention per capita n'est-il pas vrai?

M. Davey: Oui, c'est au prorata de la population étudiante pour les frais de scolarité et le capital.

M. Borrie: Est-ce que la firme de relations publiques Wilson & Wilson, est employée par le ministère des affaires indiennes?

M. Battle: Oui, par contrat spécial.

M. Borrie: Est-ce qu'on leur a demandé de coopérer avec M. Powell lorsqu'il s'est agi de communiquer ce discours avant la présentation de celui-ci à la présente réunion?

M. Battle: Je ne sais pas vraiment, ou du moins je ne voudrais pas affirmer avant de vérifier.

M. Borrie: La raison pour laquelle je pose cette question c'est qu'un certain nombre de parents indiens d'Hazelton qui ont assisté à la réunion ont demandé au terme de celle-ci à un de mes bons amis qui était là si le Ministère essayait de les forcer à fréquenter les écoles publiques. Si c'est ce genre d'exposé qui a été fait par M. Powell on peut comprendre le pourquoi de leur préoccupation. A cause de la confusion due à l'élimination progressives des écoles de districts et le récent accord avec la Province de Colombie-Britannique pour l'éducation des jeunes Indiens on

peut comprendre leur préoccupation, surtout dans la région Fort St. James où l'on a recours aux écoles résidentielles beaucoup plus que dans la région de Prince George. On semble avoir le sentiment qu'il y a une politique verbale ou écrite ou des directives émanant du ministère pour qu'il y ait intégration com-

[*Texte*]

an unwritten policy or direction by the Department of complete integration with the public school system and that eventually the choice will not be left to the parents as to whether their children will be able to attend a sectarian school or whether they will have to go to a public school.

Mr. Battle: I wonder, Mr. Chairman, if perhaps I ought to read a brief letter which the Minister wrote on behalf of the students to Miss Morris. I believe this is a copy of the letter. I believe you received a copy of this letter as well. It was mentioned the other day.

The Chairman: Would the members like to have Mr. Battle read the letter? Mr. Battle.

Mr. Battle: This letter is addressed to:

Miss Winnie Morris,
Secretary,
Donaves Club,
Prince George College,
S. S. No. 2 College Road,
Prince George, British Columbia.

Dear Miss Morris:

It is always encouraging to find students enthusiastic about their studies, and I found your letter of April 21 very interesting. Your comment about the changes in policy of this Department are somewhat confusing. There has been no change in policy which will adversely affect Indian pupils of British Columbia.

The two significant changes regarding Indian education in British Columbia are the inclusion of Indian reserves in provincial school districts, and the signing of a revised tuition agreement between my Department and the Provincial Department of Education under the terms of which the Federal Government will make a substantially larger payment on behalf of Indian students.

Indian people will not automatically become electors in school districts, but must make application for this status. Those who do not wish to do so may conduct themselves as they have in the past.

In reply to the three specific points which you raised in the second last paragraph of your letter, I have these assurances to give you.

There have been no changes in regulations governing educational assistance to Indian pupils in British Columbia. No restrictions have been placed upon the

[*Interprétation*]

plète au système scolaire des écoles publiques et qu'aussi, les parents indiens n'auront pas le choix éventuellement d'envoyer leurs enfants à une école de secteur ou à une école publique.

M. Battle: Je me demande, monsieur le président, si je peux lire une brève lettre du ministre à M^lle^ Morris qui lui avait écrit au nom des étudiants. Je crois que vous avez un exemplaire de cette lettre aussi.

Le président: Est-ce que les membres consentent à ce que M. Battle lise la lettre?

M. Battle: Elle est adressée à:

Mademoiselle Morris,
Secrétaire,
Donaves Club,
George College,
S.S. N° 2 College Road,
Prince George, Colombie-Britannique

Mademoiselle,

Il est toujours encourageant de voir l'enthousiasme manifesté à leurs études par les étudiants. J'ai trouvé votre lettre du 21 avril très intéressante, cependant vos commentaires sur les changements dans la politique du ministère sont quelque peu à côté de la vérité. Il n'y a eu aucun changement dans la politique du ministère qui irait à l'encontre des intérêts des élèves indiens de la Colombie-Britannique.

Les deux modifications importantes relatives à l'éducation des Indiens en Colombie-Britannique, se rapportent à l'intégration des réserves indiennes aux districts scolaires provinciaux ainsi que la signature d'un nouvel accord sur les frais scolaires entre mon ministère et le ministère provincial de l'éducation selon lequel le gouvernement fédéral consentira à verser des crédits beaucoup plus importants pour le compte des étudiants indiens. Ces Indiens ne deviendront pas automatiquement électeurs dans les districts scolaires mais ils devront en faire la demande. Ceux qui ne le désirent pas peuvent continuer comme par le passé.

Pour répondre aux trois points particuliers que vous soulevez dans le dernier paragraphe de votre lettre je puis vous assurer que: il n'y a eu aucun changement dans les règlements sur l'aide à l'éducation pour les élèves indiens de la Colombie-Britannique. Aucune restriction n'a été placée sur les droits des élèves

[*Text*]

rights of Indian pupils in British Columbia to choose a separate or public school education. I can see no reason why Indian students entering grades eleven and twelve should not continue attending the school in which they are presently enrolled.

Yours sincerely,
Jean Chrétien.

One of the main purposes of the agreement which was signed with the Province of British Columbia and the Department of Education in addition, of course, to establishing the rate at which the federal government would reimburse the province on a per capita basis was to establish the right of parents to choose provincial education for their children, but it was not mandatory for them to do so. We simply wanted to establish that right so when an Indian child or student moved about the province from the reserve they could be assured that under the system of education in the province they are entitled to an education. This was the prime purpose.

Mr. Borrie: Yes. I do not think there is any doubt in our minds—at least there is not in mine, because I have been in touch with the Minister regarding this—but I am trying to point out to the Department, Mr. Chairman, that so much misunderstanding has been created in the Province of British Columbia because the facts are not being properly presented or at least not being given to the parents concerned. Even your staff members who are residing there do not know your policies. In other words, they will go to a meeting and they cannot explain the complete policy to the Indian people. I would like to reiterate something I stated the other day: that in laying out your program I think there has to be more consultation and more meeting with the people in British Columbia particularly. I will say again that I cannot disagree with it any more than Mr. Marchand has already indicated. Thank you for clearing this up. Do you want a further—

Mr. Marchand (Kamloops Cariboo): Mr. Chairman, may I make a comment to perhaps further augment what Mr. Battle has said in reply to Mr. Borrie's questioning. There was a great deal of confusion at the meeting last week about this very point and I think it was really cleared up. A few of the people present were from your area, Mr. Borrie, and they asked some very excellent questions and I think they got the types of answers they wanted. Mr. Hall from the Department of Indian Affairs was there to answer a lot of the

[*Interpretation*]

indiens de Colombie-Britannique de choisir entre l'école publique ou l'école séparée. Je ne vois pas pourquoi les élèves indiens de grade 11 ou 12 ne pourraient continuer leurs études dans l'école qu'ils fréquent actuellement.

Signé: Jean Chrétien.

L'un des principaux buts de l'accord intervenu entre la Colombie-Britannique et son ministère de l'éducation, c'est-à-dire afin d'établir le taux en vertu duquel le gouvernement fédéral rembourserait la province au prorata, une des raisons, dis-je, c'est d'établir le droit des parents de choisir le genre d'éducation pour leurs enfants. Mais la chose n'est pas obligatoire. Nous voulions simplement établir ce droit. Donc, lorsqu'un élève indien qui vit dans la province, mais dans une réserve, peut être assuré selon le nouveau système, qu'il a droit à l'éducation.

M. Borrie: Je ne crois pas qu'il y ait aucun doute, à mon esprit du moins, quand j'ai parlé au ministre de cette question. Ce que j'essaie de faire ressortir au profit du ministère, c'est qu'il y a eu tellement de mésententes en Colombie-Britannique parce qu'on n'a pas présenté le faits de façon appropriée ou on ne les a pas soumis aux parents en cause de façon appropriée. Vous avez des fonctionnaires qui sont affectés à cet endroit. Eux-mêmes ignorent la politique. Ils assistent à des réunions et ne peuvent expliquer la politique aux Indiens. Encore une fois, je veux répéter ce que j'ai dit l'autre jour, qu'il doit y avoir plus de consultations avec les gens de la Colombie-Britannique surtout, pour ce qui est d'exposer vos programmes. On ne semble pas le comprendre et je ne peux être d'accord avec ce que M. Marchand vient de dire. Je vous remercie.

M. Marchand (Kamloops-Cariboo): J'aimerais faire une simple observation. Il y a eu beaucoup de confusion la semaine dernière lors de la réunion. Il y avait des gens de votre région, monsieur Borrie, qui ont posé d'excellentes questions et M. Hall de la direction des Affaires indiennes a répondu à un certain nombre de questions au sujet des questions qui ont été soulevées.

[*Texte*]

questions and I think this particular point was cleared up.

• 1050

Mr. Borrie: Unfortunately, like all consultations, they just seem to get one or two people and this is about as far as it goes. The information seems to remain trapped.

Mr. Battle: One thought that we had which you might want to let us have your reaction to, Mr. Borrie, was that in respect to this agreement in particular that there maybe ought to be a meeting called, or some sort of conference called, which would be attended by representatives of the Churches involved here, the Indian people, the provincial Department of Education and our department to try to clear up some of these things and improve communications on this particular point.

Mr. Borrie: I think that is an excellent idea.

The Chairman: Mr. St. Pierre has indicated he has a question.

Mr. St. Pierre: Thank you Mr. Chairman. Many of my questions have been answered in the course of previous questioning but I would like to clear up a couple of points.

In British Columbia the Department is making a per capita payment to the provincial government for Indian children. It is making the same per capita payments, and in addition giving some capital aid, to separate schools. How much is that per capita payment this year?

Mr. Davey: The payments to the province are at the rate of $533 which is up from the previous amount of $250. We have not negotiated a new rate with the independent schools but we have invited them to make representations to us. We are waiting to hear from them now. So that, until September 1, 1968 the payments to the province and to the independent schools were the same: $250 per capita. The provincial rate has now gone up to $533 and a new rate has not been established for the independent schools yet.

Mr. St. Pierre: Last year when the rate was $250 you were, I assume, paying less than the province's per capita cost.

Mr. Davey: This is correct; substantially less.

Mr. St. Pierre: Do you happen to know what the province's per capita cost was the previous year?

[*Interprétation*]

M. Borrie: C'est parce qu'il y a toujours des consultations avec une ou deux personnes cela ne va jamais plus loin.

M. Battle: Nous avons pensé que vous accepteriez peut-être de nous laisser savoir vos réactions, monsieur Borrie, justement au sujet de l'accord. Il faudrait qu'il y ait une réunion, ou une conférence, qui soit faite en présence des représentants des diverses Églises, des Indiens, des représentants du ministère de l'Éducation, et des fonctionnaires de notre ministère, essayer d'améliorer les communications et éclaircir certains points.

M. Borrie: Je crois que c'est une excellente idée.

Le président: M. St-Pierre a dit qu'il avait une question à poser.

M. St-Pierre: Merci, monsieur le président. On a déjà répondu certaines de mes questions. Mais j'aimerais éclaircir un ou deux points.

En Colombie-Britannique, le ministère verse des paiements par tête d'habitant au gouvernement provincial pour l'éducation des enfants indiens, et le fait, de façon analogue, en tant qu'aide aux écoles séparées. A combien s'établit ce paiement par tête, cette année?

M. Davey: Les paiements versés à la province s'établissent à $533, ce qui est une augmentation par rapport à l'ancien paiement de $250. Nous n'avons pas négocié un nouveau taux avec les écoles indépendantes, mais nous avons fait des représentations à ce sujet et nous attendons leur réponse. Donc, à venir jusqu'au 1er septembre 1968, les paiements faits à la province et aux écoles indépendantes, étaient les mêmes: $250 par tête d'habitant. Le taux provincial est maintenant passé à $533. Mais un nouveau taux n'a pas encore été établi pour les écoles indépendantes.

M. St-Pierre: L'année dernière, alors que le taux était de $250, je suppose que vous payiez moins que le coût par tête de la province?

M. Davey: Beaucoup moins, oui.

M. St-Pierre: Vous vous souvenez du coût par tête de la province, l'année dernière?

[*Text*]

Mr. Davey: I am sorry, I do not know that.

Mr. St. Pierre: In the case of the few federal schools which remain, there are no grants to be made there since you are operating them yourselves. Have you calculated what the expense per pupil is in them? I wonder how this compares.

Mr. Davey: I do not have the exact figure with me but it is in the range of between $400 and $450 per pupil. However, this excludes certain costs. This amount of $400 to $450 excludes the cost of supervision; it excludes the cost of transportation; it excludes other costs which, if included, would bring our cost fairly close to the $533.

Mr. St. Pierre: Is any province undertaking part or all of the costs of educating registered Indians? I take it British Columbia is undertaking no part of the cost; you are paying them exactly what they are paying for other students, so that the federal government is making a 100 per cent contribution now toward the costs of education of Indian children in the public schools.

Mr. Davey: These rates are negotiated and are all based on the actual operating cost with the possible exception of Prince Edward Island where we have a mere handful of children—I think it would be certainly well under 50—in attendance. There the rates are very low and I suspect they are even low for Prince Edward Island costs.

• 1055

Mr. St. Pierre: I see. How do the costs compare in other provinces? Do you happen to have rates with you? What are we paying province by province?

Mr. Davey: In British Columbia it is $533. In Alberta, where we do not have a comprehensive agreement, the range is from the lowest of $391 up to $706 which is for an academic high school program, and still higher for a vocational school where it is $1,032. In Saskatchewan, the lowest rate we pay to any board is $375; for academic high school it is $630; for vocational high schools it is $800.

Mr. St. Pierre: In the case of British Columbia is it a flat rate?

Mr. Davey: It is a flat rate for elementary and high schools.

Mr. St. Pierre: Thank you.

Mr. Davey: In Manitoba, there is a differentiation: we are paying $215 for kindergart-

[*Interpretation*]

M. Davey: Non, je regrette.

M. St-Pierre: Dans le cas des écoles fédérales qui demeurent, il n'y a pas de subventions, vu que vous les administrez vous-mêmes. Est-ce que vous avez calculé le coût de leur fonctionnement par élève? Je me demande comment cela se compare.

M. Davey: Je n'ai pas le chiffre exact, mais je dirais qu'il est de l'ordre de $400 ou $450 par élève, ce qui exclut certains frais. Ce chiffre de $400 à $450, par exemple, ne comprend pas les frais de surveillance, les frais de transport, et d'autres frais qui, s'ils étaient compris, nous amèneraient à près de $533.

M. St-Pierre: Est-ce qu'il y a des provinces qui entreprennent d'acquitter une partie ou la totalité des frais d'inscription des Indiens? Je suppose que la Colombie-Britannique n'en assume aucuns frais; vous les payez exactement ce qu'ils paient pour d'autres étudiants, de sorte que c'est le gouvernement fédéral qui contribue à la totalité des frais pour l'éducation des Indiens dans les écoles publiques, n'est-ce pas?

M. Davey: Ces taux sont négociés et se fondent tous sur les frais d'administration, à l'exception, peut-être, de l'Île-du-Prince-Édouard, où il n'y a qu'une poignée d'Indiens. Il y a moins de 50 élèves dans cette province. Les taux y sont très bas, et peut-être même plus bas pour l'Île-du-Prince-Édouard.

M. St-Pierre: Je vois. Comment le coût se compare-t-il dans les autres provinces? Avez-vous les taux avec vous? Que payons-nous par province?

M. Davey: En Colombie-Britannique, c'est $533. En Alberta, où nous n'avons pas un accord global avec la province, les frais vont de $391 à $706, cela pour un programme d'études secondaires. C'est encore plus élevé pour un programme de formation professionnelle, soit $1,032. En Saskatchewan, le taux le plus bas versé aux conseils scolaires est de $375; dans les écoles secondaires, c'est $630; dans les écoles professionnelles, c'est $800.

M. St-Pierre: Dans le cas de la Colombie-Britannique, est-ce qu'il s'agit d'un taux fixe?

M. Davey: Oui, pour les écoles élémentaires et les écoles secondaires.

M. St-Pierre: Merci.

M. Davey: Au Manitoba, nous versons $215 aux écoles maternelles et $430 aux écoles qui

[*Texte*]

en pupils and $430 for pupils registered in grades one to 12.

Mr. Orlikow: Anything extra for vocational schools in Manitoba? There are quite a few Indian students going to technical and vocational schools.

Mr. Davey: No, the payment is separate for the Manitoba Institute of Technology for example. Unfortunately, I have not the fees for the Manitoba Institute or for the Northern Manitoba Vocational Centre in The Pas.

In Ontario the lowest rate is $206, and for the academic high schools the highest is $1,000, and for the vocational school it is $1,140.

In Quebec the lowest is $200, and the highest in an academic high school is $1,200. I should explain that this is a particular school at Schefferville which is an extremely high cost area.

The Chairman: What would be the average for Quebec, or do you just have the highest and the lowest?

Mr. Davey: Yes, I just have the ranges here. In New Brunswick we have a general agreement and it is a flat rate for elementary and high schools of $390.

In Nova Scotia the lowest rate is $125 and the highest rate is $750.

• 1100

In Prince Edward the lowest rate is $75 and the highest rate is $200.

Mr. Marchand (Kamloops-Cariboo): How about Newfoundland?

The Chairman: We have no Indian students in school there.

Mr. St. Pierre: In all these cases, except Prince Edward Island, you feel these approximate the costs to the provinces of educating non-Indian children?

Mr. Davey: In all cases it would be at least the cost to the local board.

Mr. St. Pierre: Yes.

Mr. Davey: In some cases the board is not charging us an amount which would cover the amount they get in the form of a grant from the province, and the province continues to pay it.

Mr. St. Pierre: I had one other question Mr. Chairman but...

[*Interprétation*]

enseignent aux enfants de la première à la douzième année.

M. Orlikow: Est-ce qu'il y a un paiement supplémentaire pour les écoles professionnelles, au Manitoba? Il y a un bon nombre d'Indiens qui fréquentent ces écoles techniques et professionnelles.

M. Davey: Non. Il s'agit d'un paiement distinct au Manitoba, pour les écoles techniques, par exemple.

Mais, je n'ai pas les chiffres pour le Manitoba Institute of Technology, ou pour le Northern Manitoba Vocational Centre de Le Pas.

En Ontario, $206 est le taux le plus bas. Pour les écoles secondaires, le taux le plus élevé est $1,000, et pour les écoles professionnelles, $1,140.

Au Québec, le taux le plus bas est de $200, et le plus élevé, dans les écoles secondaires, de $1,200. Je dois expliquer qu'il s'agit d'une école bien particulière, à Schefferville, qui entraîne des frais très élevés.

Le président: Quelle serait la moyenne pour le Québec? Avez-vous seulement le chiffre le plus élevé et le plus bas?

M. Davey: Oui. Je n'ai que l'écart; je n'ai pas les chiffres précis. Au Nouveau-Brunswick, nous avons un accord général qui fixe un taux de $390 pour les écoles primaires et secondaires.

En Nouvelle-Écosse, le taux le plus bas est de $125 et le taux le plus élevé est de $750.

A l'Île-du-Prince-Édouard, le taux le plus bas est de $75, et le plus élevé, de $200.

M. Marchand (Kamloops-Cariboo): Et que dire de Terre-Neuve?

Le président: Il n'y a aucun étudiant indien à cet endroit.

M. St-Pierre: Dans tous ces cas, sauf l'Île-du-Prince-Édouard, cela correspond à peu près aux frais d'éducation des autres enfants?

M. Davey: Dans tous les cas, il s'agit au moins des frais du conseil scolaire local.

M. St-Pierre: Oui.

M. Davey: Dans certains cas, le conseil ne nous compte pas un chiffre équivalant aux frais d'éducation pour la province, qui continue à payer.

M. St-Pierre: J'avais une autre question, monsieur le président, mais...

[*Text*]

The Chairman: We will be back on this subject next Tuesday. Mr. Battle would like 30 seconds to complete some information which he had started to give us earlier.

Mr. Battle: Mr. Chairman, I did not realize we were going to be on education next week, but I wanted really to go back and trace the policy in education and how it got started.

Of course, we have concentrated for a number of years now on trying to encourage Indian students to go into the provincial school system. This has been the major goal, the major emphasis of our policy, and a great deal has been achieved in that time. We have now reached the point where there are more Indian students in the provincial school system than there are in the federal school system, and we are hopeful that over the course of the next four or five years we will have largely phased the Department out of operating classrooms on reserves.

I simply wanted to put on record that the man who I think is mostly responsible for having maintained this course, sometimes against great odds, is Mr. Davey. I want to put it on the record because he is just about to leave this Department.

The Chairman: Thank you very much.

Mr. Orlikow: Mr. Chairman, I am not sure that I will be here next week. Dr. Nason of the Canadian Teachers' Federation told me that they would very much like to appear before the Committee if a suitable time can be arranged.

The Chairman: Mr. Orlikow, you will be attending the Steering Committee meeting at noon, and we will discuss this.

Gentlemen, there is one further item: I would like to remind all members of the Chair's invitation of a week and two weeks ago to the members to forward to the Committee Chairman or your caucus representative on the steering committee anything which you wished to have contained in the report of the Committee.

At the moment, as you realize, the estimates will be taken away from us at the end of next week which means we are obliged to have our report in by then. Given this sort of a time table, I would suggest that Tuesday is the absolute deadline for you to have your recommendations made available to the Chair or to your representative. We will have a subcommittee meeting sometime on Tuesday: you will be informed later.

[*Interpretation*]

Le président: Nous reviendrons sur ce sujet mardi prochain. M. Battle n'a que trente secondes pour nous donner des renseignements complémentaires.

M. Battle: Monsieur le président, je ne me rendais pas compte que nous traiterions de l'éducation la semaine prochaine, mais je voudrais simplement tracer notre politique à l'égard de l'éducation et vous en donner les antécédents.

Depuis quelques années, nous nous efforçons d'envoyer des enfants indiens dans les écoles du système provincial. Cela a été le principal objectif de notre politique, dont nous avons réalisé une grande partie. Et nous en sommes maintenant au point où il y a plus d'élèves indiens dans les écoles provinciales que dans les écoles fédérales. Et nous espérons que dans quatre ou cinq ans, il n'y aura plus besoin d'avoir des écoles fédérales administrées par le ministère, dans les réserves.

Je voudrais simplement consigner officiellement que l'homme personnellement responsable, à mon avis, d'avoir maintenu ce programme, parfois envers et contre tous, c'est M. Davey. Et je veux que cela se sache, parce qu'il est sur le point de quitter le ministère.

Le président: Merci beaucoup.

M. Orlikow: Monsieur le président, je ne suis pas sûr d'être ici la semaine prochaine. M. Nason de la Canadian Teachers' Federation m'a dit qu'il aimerait bien comparaître devant le Comité si on peut faire les arrangements à ce sujet.

Le président: Monsieur Orlikow, vous allez assister à la séance du Comité de direction ce midi. Nous pourrons alors en discuter.

Messieurs, il y a une autre question. Je voudrais rappeler à tous les membres que le président a invité, il y a une semaine ou deux, tous les membres de présenter au président du Comité, ou au représentant du caucus au comité directeur, tout ce qu'ils veulent faire paraître dans le rapport du Comité.

Vous constaterez qu'à la fin de la semaine prochaine, nous n'aurons plus à étudier les crédits. Et il faudra donc publier le rapport à ce moment-là. Vu l'horaire, j'estime que mardi est l'échéance pour la remise de ces documents et de toutes les recommandations que vous voudriez présenter au président ou à votre représentant. Donc, nous aurons une réunion du sous-comité directeur, au cours de la journée de mardi, et vous serez informés plus tard.

[*Texte*]

So, if any of you wish to participate in writing the report of the Committee, which is not going to be a long one, or if you have some specific points you wish to make, here is your chance to do so.

Thank you.

The meeting is adjourned.

[*Interprétation*]

Alors, quiconque veut participer à la rédaction du rapport, qui ne sera pas très long, et si vous avez des suggestions à faire, eh bien, je vous invite à les faire.

Merci.

La séance est levée.

APPENDIX "Q"

RETARDATION AMONG INDIAN PUPILS IN FEDERAL SCHOOLS

The age grade distribution of pupils enrolled in federal schools has changed dramatically.

Grade	Year	No. Enrolled	% Overage by One Year or More	Alberta 1967 Overage by One Year or More
	Federal Schools—Grades 1 to 3			
			%	
1	1956–57	6,307	52	6.63
	1967–68	5,901	12	
2	1956–57	4,001	52	10.02
	1967–68	4,683	22	
3	1956–57	3,760	62	12.23
	1967–68	4,277	25	
	Federal Schools—Grades 4 to 8			
4	1956–57	3,432	44	14.87
	1967–68	3,903	18	
5	1956–57	1,556	41	15.60
	1967–68	3,341	24	
6	1956–57	1,309	40	17.31
	1967–68	2,703	27	
7	1956–57	811	28	20.20
	1967–68	1,907	20	
8	1956–57	544	20	21.43
	1967–68	1,051	18	

No figures have been tabulated for grades nine to twelve as virtually all Indian pupils take their high school training in non-federal schools.

It will be seen from the above figures that steps taken by the Education Branch to reduce retardation have had considerable effect. Some of the specific programs inaugurated to help Indian pupils overcome their particular learning problems are:

(a) A special basic oral English course and action research into teaching procedures for the teaching of English to Indian beginners was inaugurated in 1959-60. The final addition of this course was put into use in all federal schools in 1962. It has since been used in Indian and provincial schools, as well as by C.U.S.O. The course was extended in 1962 and now covers kindergarten to grade six.

APPENDICE «Q»

RETARD DES ÉLÈVES INDIENS DES ÉCOLES FÉDÉRALES

Il s'est produit un changement radical dans le rapport âge-classe des élèves des écoles fédérales.

Classe	Année	Nombre d'inscrits	Pourcentage d'élèves en retard d'un an ou plus	Retard d'un an ou plus Alberta, 1967
	Écoles fédérales—Classes de la 1re à la 3e			
			%	
1	1956–1957	6,307	52	6.63
	1967–1968	5,901	12	
2	1956–1957	4,001	52	10.02
	1967–1968	4,683	22	
3	1956–1957	3,760	62	12.23
	1967–1968	4,277	25	
	Écoles fédérales—Classes de la 4e à la 8e			
4	1956–1957	3,432	44	14.87
	1967–1968	3,903	18	
5	1956–1957	1,556	41	15.60
	1967–1968	3,341	24	
6	1956–1957	1,309	40	17.31
	1967–1968	2,703	27	
7	1956–1957	811	28	20.20
	1967–1968	1,907	20	
8	1956–1957	544	20	21.43
	1967–1968	1,051	18	

Aucune donnée statistique n'a été établie pour les classes de la 9e à la 12e, car presque tous les élèves indiens font leurs études secondaires dans des écoles non fédérales.

Les chiffres ci-dessus montrent que les mesures prises par la Direction de l'éducation, en vue de réduire le retard ont donné de très bons résultats. Voici quelques-uns des programmes élaborés en vue d'aider les enfants indiens à vaincre les problèmes particuliers qu'ils rencontrent au cours de leur instruction:

a) Un programme spécial comportant un cours élémentaire d'enseignement de l'anglais oral, ainsi que des recherches pour l'enseignement de l'anglais aux débutants indiens, a été entrepris en 1959-1960. C'est en 1962 que la dernière partie du cours a été mise en application dans les écoles fédérales. Depuis, ce cours est enseigné dans les écoles indiennes et provinciales, ainsi que par le S.V.C.O. L'ampleur de ce cours a été accrue en 1962, de sorte qu'il est maintenant dispensé depuis la maternelle jusqu'à la 6e année.

(b) Kindergarten programs for five year old students were started in 1959 and in 1966 some classes of four year old kindergarten children were in operation.

(c) A policy of continuous promotion of pupils through school was implemented in federal schools in June of 1967.

(d) Improved teacher recruitment and in-service training programs.

(e) Surveys of diagnostic and achievement tests which were administered to all students across Canada.

(f) The appointment of special field language arts consultants (commencing in 1965).

(g) The encouragement of curriculum adaptation and the production of special material.

(h) In 1968 an experimental training program for kindergarten teachers and Indian aides was supported by the Branch in cooperation with the University of Saskatchewan (Saskatoon) and University of Manitoba (Winnipeg). These courses will be expanded this year and similar programs will be started at the University of Calgary and Centennial College.

b) En 1959, on entreprenait la mise en œuvre de programmes de maternelle, pour enfants de cinq ans, tandis qu'en 1966, on créait quelques classes de ce genre, pour enfants de quatre ans.

c) En juin 1967, un régime de promotion continue fut mis en vigueur pour les élèves des écoles fédérales.

d) Programmes améliorés de recrutement d'enseignants et de formation en cours d'emploi.

e) Études des résultats des tests de dépistage et de possibilités appliqués à tous les élèves du Canada.

f) Nomination d'experts-conseils spéciaux en linguistique, en poste sur place (depuis 1965).

g) Campagne d'encouragement à l'adaptation des programmes d'études et à la production de matériel spécial.

h) En 1968, la Direction a appuyé, en collaboration avec l'Université de la Saskatchewan (Saskatoon) et de l'Université du Manitoba (Winnipeg), à un programme expérimental de formation de maîtresses de maternelle et de maîtres auxiliaires indiens. Pour l'année en cours, ce programme sera accru et des programmes semblables seront mis en œuvre à l'Université de Calgary et au *Centennial College*.

RELATIONSHIP OF TOTAL INDIAN GRADE I ENROLMENTS IN THREE BASE YEARS TO ENROLMENTS IN PROGRESSIVELY HIGHER GRADES IN SUCCEEDING YEARS

Base—1949–50	Gr. I 49–50	Gr. II 50–51	Gr. III 51–52	Gr. IV 52–53	Gr. V 53.64	Gr. VI 54–55	Gr. VII 55–56	Gr. VIII 56–57	Gr. IX 57–58	Gr. X 58–59
Enrolment	8,425	4,273	3,736	3,418	2,966	2,434	1,957	1,468	1,024	647
% of 1949–50	100%	51%	44%	41%	35%	29%	23%	17%	12%	8%
Base—1959–60	Gr. I 59–60	Gr. II 60–61	Gr. III 61–62	Gr. IV 62–63	Gr. V 63–64	Gr. VI 64–65	Gr. VII 65–66	Gr. VIII 66–67	Gr. IX 67–68	Gr. X 68–69
Enrolment	7,253	5,811	5,760	5,357	4,858	4,406	3,967	3,211	2,891	1,997
% of 1949–50	100%	80%	79%	74%	67%	61%	55%	44%	40%	28%
Base—1961–62	Gr. I 61–62	Gr. II 62–63	63–64	64–65	65–66	66–67	67–68	68–69		
Enrolment	6,972	6,447	6,342	5,905	5,715	5,133	4,676[1]	3,804[2]		
% of 1949–50	100%	92%	91%	85%	82%	74%	67%	55%		

NOTES:
[1]Gr. VII Indian enrolment for Northern Administration estimated at 85.
[2]Gr. VIII Indian enrolment for Northern Administration estimated at 70.
[3]The reduction in enrolment is based primarily on the non-promotion of students from one level to another.

RAPPORT ENTRE LES INSCRIPTIONS GLOBALES D'INDIENS EN 1re ANNÉE, POUR TROIS ANNÉES DE RÉFÉRENCE, ET LES INSCRIPTIONS AUX CLASSES SUIVANTES POUR LES ANNÉES CONSÉCUTIVES

Année de référence 1949–1950	Cl. de 1re 49–50	Cl. de 2e 50–51	Cl. de 3e 51–52	Cl. de 4e 52–53	Cl. de 5e 53–54	Cl. de 6e 54–55	Cl. de 7e 55–56	Cl. de 8e 56–67	Cl. de 9e 57–58	Cl. de 10e 58–59
Inscription	8,425	4,273	3,736	3,418	2,966	2,434	1,957	1,468	1,024	647
% par rapport à 1949–1950	100%	51%	44%	41%	35%	29%	23%	17%	12%	8%
Année de référence 1959–1960	Cl. de 1re 59–60	Cl. de 2e 60–61	Cl. de 3e 61–62	Cl. de 4e 62–63	Cl. de 5e 63–64	Cl. de 6e 64–65	Cl. de 7e 65–66	Cl. de 8e 66–67	Cl. de 9e 67–68	Cl. de 10e 68–69
Inscription	7,253	5,811	5,760	5,357	4,858	4,406	3,967	3,211	2,891	1,997
% par rapport à 1949–1950	100%	80%	79%	74%	67%	61%	55%	44%	40%	28%
Année de référence 1961–1962	Cl. de 1re 61–62	Cl. de 2e 62–63	63–64	64–65	65–66	66–67	67–68	68–69		
Inscription	6,972	6,447	6,342	5,905	5,715	5,133	4,676(1)	3,804(2)		
% par rapport à 1949–1950	100%	92%	91%	85%	82%	74%	67%	55%		

REMARQUES:
(1) Le nombre d'Indiens inscrits en 7e année, sous la direction de l'Administration du Nord, a été estimé à 85.
(2) Le nombre d'Indiens inscrits en 8e année, sous la direction de l'Administration du Nord, a été estimé à 70.
(3) La réduction des inscriptions provient surtout du nombre d'élèves qui ne sont pas passés d'une classe à l'autre.

EMPLOYMENT AT PINE POINT—Mr. Badanai

As of May 21, 1969, the following numbers were employed by the Mining Company at Pine Point:

18—Indian status workers
3—Registered Eskimo workers
—
Total 21
32—Metis workers

TRAINING ALLOWANCES—Mr. Orlikow

(a) Numbers receiving training allowances:

During the period April 1, 1968 to March 31, 1969, a total of 3,855 students were assisted individually through the post school program. The number represents the total number who enrolled in training programs away from the reserve.

Of this total, 1,387 or 36 per cent qualified for assistance through the Department of Manpower and Immigration and assistance from our Department to this group was limited to an initial allowance for clothing based on individual need and an allowance sufficient to meet the other needs of the students, pending receipt of the first allowance cheque from the Department of Manpower.

The balance of 2,468 students were assisted in total by the Department of Indian Affairs and Northern Development. This consisted of payment of transportation to and from the course, clothing assistance, payment of tuition, purchase of books and school supplies and an allowance of $4.00 per day for board and room and personal needs.

(b) Steps taken to improve the program:

1. The training allowance schedule was revised as of April 1, 1969 to conform with the schedule used by the Department of Manpower and Immigration.

2. We hope to provide training allowances to students involved in prevocational and vocational training programs on reserves in 1970-71, but this will depend on whether or not funds are made available to us.

(c) Past and projected figures:

EMPLOI À PINE POINT—M. Badanai

Au 21 mai 1969, la société minière de Pine Point comptait au nombre de ses employés:

18 - Ouvriers ayant le statut d'Indiens
3 - Ouvriers esquimaux inscrits
—
Total 21
32 - Ouvriers métis

ALLOCATIONS DE FORMATION—M. Orlikow

a) Nombre d'Indiens recevant des allocations de formation.

Au cours de la période allant du 1er avril 1968 au 31 mars 1969, un nombre global de 3,855 élèves ont reçu une aide individuelle, dans le cadre du programme d'éducation post-scolaire. Ce nombre comprend toutes les personnes inscrites aux programmes de formation donnés en dehors des réserves.

De ce nombre, 1,387 personnes, soit 36 p. 100, ont eu droit à l'aide accordée par le ministère de la Main-d'œuvre et de l'Immigration, l'aide du Ministère à ces personnes se limitant à l'allocation de base accordée, selon les besoins particuliers, pour le vêtement, ainsi qu'à une allocation destinée à satisfaire aux autres besoins des élèves, en attendant leur premier chèque d'allocation du ministère de la Main-d'œuvre.

Les autres 2,468 élèves ont reçu une aide totale du ministère des Affaires indiennes et du Nord canadien, aide comportant l'acquittement des frais de transport occasionnés par les cours, la fourniture de vêtements, le paiement des frais de scolarité, l'achat des livres et articles scolaires, ainsi que l'attribution d'une allocation de $4 par jour pour le gîte, le couvert et les besoins personnels.

b) Mesures prises en vue d'améliorer le programme

1. Le barème des allocations de formation a été révisé au 1er avril 1969, de façon à être rendu conforme à celui du ministère de la Main-d'œuvre et de l'Immigration.

2. En 1970-1971, nous espérons accorder des allocations de formation aux élèves qui suivront dans les réserves les programmes préparatoires de formation professionnelle ou les programmes mêmes de formation professionnelle, mais, pour ce faire, il nous faudra disposer de fonds.

c) Chiffres enregistrés dans le passé et chiffres prévus

Total enrollment receiving allowances: 1967-68, 2,458.
Total enrollment receiving allowances: 1968-69, 3,855.
Projected total enrollment receiving allowances: 1969-70, 4,760.

MANITOBA REGION
ADULT EDUCATION PROGRAM

A total of thirty-two Indian people were enrolled in an instructors' training program. Training of fifteen weeks was completed by the end of January 1969. Twenty-five successfully completed the training and are employed by the Department to work in their home communities. All the instructors have a minimum Grade 11 education with most having Grade 12 equivalency. The programs the instructors are involved in vary according to local needs. Where upgrading programs are offered to reserve residents by the Department of Manpower, the instructors work as assistants to regular teachers. Most conduct basic literacy classes in the evenings or weekends and follow a program of studies specially designed to assist them. They have been given orientation to the variety of outside agencies with services these provide and make direct referrals to these agencies.

The National Film Board trained the instructors in the operation and care of movie projectors and also acquainted them with the use of their film library. Thirteen have been provided with movie projectors. Just recently the provincial recreational agency enrolled the instructors in a two week recreational course.

All the instructors were initially selected by the local Chief and Council, the only requirement being that candidates have some high school education.

Although the program is organized through the Education Branch, the instructors, in fact, function more like community workers with special emphasis on education. As part of the partnership program undertaken between the Department and the Manitoba Indian people, it has been suggested this specially trained group of instructors devote more of their time to social animation activities.

It is planned to have an evaluation of the program carried out by an outside agency by this fall. If the program is found to be as

Nombre global d'inscrits qui ont reçu des allocations: 1967-1968: 2,458.
Nombre global d'inscrits qui ont reçu des allocations: 1968-1969: 3,855.
Nombre global d'inscrits qui recevront des allocations: 1969-1970: 4,760.

RÉGION DU MANITOBA—
PROGRAMME D'ÉDUCATION DES ADULTES

Trente-deux Indiens, au total, se sont inscrits au programme de formation d'instructeurs. Un stage de formation de quinze semaines s'est terminé à la fin de janvier dernier. Les vingt-cinq personnes qui ont suivi le programme avec succès ont été engagées par le Ministère afin de travailler au sein de leur collectivité de provenance. Tous les instructeurs possèdent au moins un diplôme de 11e année, la plupart ayant l'équivalent de douze années d'études. Les programmes auxquels ces instructeurs participent varient selon les besoins locaux. Lorsque le ministère de la Main-d'œuvre offre des programmes de rattrapage aux habitants des réserves, les instructeurs remplissent des postes de maître auxiliaire auprès des enseignants titulaires. La plupart donnent des cours de lecture et d'écriture le soir ou en fin de semaine et suivent un programme d'études spécialement conçu pour les aider dans leur travail. Comme ils ont été mis au courant des nombreux organismes existant hors des réserves, ainsi que des services qu'ils dispensent, ils sont en mesure d'effectuer une orientation directe vers ces organismes.

L'Office national du film a initié un certain nombre d'instructeurs au fonctionnement et à l'entretien des projecteurs de cinéma et leur a appris le fonctionnement de sa cinémathèque. Treize instructeurs ont reçu des projecteurs. Tout dernièrement, l'organisme provincial des loisirs leur a offert un cours d'une durée de deux semaines, dans ce domaine.

La phase première du choix de tous les instructeurs a incombé aux chefs et conseils locaux. La seule condition requise était d'avoir fait des études secondaires.

Bien que le programme en question relève de la Direction de l'éducation, les instructeurs chargés de le mettre en œuvre jouent, en fait, le rôle d'animateurs sociaux, mais spécialisés en éducation. Dans le cadre du programme conjoint élaboré par le Ministère et les Indiens du Manitoba, on a proposé que ce groupe d'instructeurs spécialisés consacre davantage de temps à l'animation sociale.

On projette de faire effectuer une appréciation de ce programme par un organisme de l'extérieur, l'automne prochain. Si le pro-

successful as it appears to be so far, it will be expanded to cover other reserves.

UNIVERSITY OF SASKATCHEWAN
EXTENSION DIVISION
HOMEMAKERS' PROGRAM

The program was initiated during the fiscal year 1967-68. The Department entered into a contract with the University whereby the Extension Division train Indian women as instructors and on completion of training employ them to conduct homemaking classes in their home communities. The program consists of a series of sewing, cooking, knitting and other homemaking skills courses. Each course in the series consists of thirty hours of instruction.

In 1967-68, the University trained twelve instructors who then went out and organized and conducted 128 courses involving 1,361 students.

In 1968-69, the University provided training to thirty-two instructors. A total of 146 courses were conducted with a total enrollment of 1,428.

The program is considered highly successful, and an evaluation and assessment of the program will be carried out later on this year. In the meantime, we are planning to continue the program at the present level at least.

gramme se révèle aussi fructueux qu'il l'a semblé jusqu'ici, il sera appliqué à d'autres réserves.

UNIVERSITÉ DE LA SASKATCHEWAN
DIVISION DES COURS LIBRES
PROGRAMME D'ARTS MÉNAGERS

La mise en œuvre du programme a débuté au cours de l'année financière 1967-1968. Le Ministère a passé avec l'université en question un contrat en vertu duquel la Division des cours libres formera des femmes indiennes aux fonctions d'instructrice et les emploiera, à la fin de leur stage, à donner des cours d'arts ménagers au sein de leur collectivité de provenance. Le programme comprend notamment des cours de couture, de cuisine et de tricotage. Chaque cours dure trente heures.

En 1967-1968, l'Université a formé douze instructrices qui, à leur tour, ont organisé et dirigé 128 cours, fréquentés par 1,361 élèves, tandis qu'en 1968-1969, elle a assuré la formation de trente-deux instructrices, qui ont organisé 146 cours pour un total de 1,428 élèves.

On estime que le programme donne de très bons résultats. On en fera une appréciation plus tard durant l'année en cours. Dans l'intervalle, nous entendons poursuivre l'application du programme, au moins à son niveau actuel.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Government
Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE

ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT

DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 27

LIBRARY
JUN 23 1969
UNIVERSITY OF TORONTO

TUESDAY, MAY 27, 1969

LE MARDI 27 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates.

Concernant

Prévisions budgétaires—Affaires indiennes et Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir le procès-verbal)

20396—1

STANDING COMMITTEE ON
INDIAN AFFAIRS AND
NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES
INDIENNES ET DU DÉVELOPPEMENT
DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Gundlock,
[1] Kaplan,
Laprise,
Marchand
(*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson
(*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
M. Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4)(b).

[1] Replaced Mr. Duquet May 27, 1969.

Conformément à l'article 65(4)b) du Règlement.

[1] Remplace M. Duquet le 27 mai 1969.

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, May 27, 1969.
(28)

The Standing Committee on Indian Affairs and Northern Development met this day at 9.45 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Dinsdale, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orange, Simpson, Southam, St. Pierre, and Watson —(12).

Also present: Mr. Buchanan, Member of Parliament.

Witnesses: From the Department of Indian Affairs and Northern Development: Mr. R. F. Battle, Assistant Deputy Minister, (Social Affairs); Mr. R. F. Davey, Director, Education Branch, (Social Affairs); Mr. D. W. Simpson, Assistant Director, Education Branch, (Social Affairs).

The Committee continued consideration of item 5—Administration, Social Program —of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

The witnesses were introduced by the Chairman and they were questioned by Members of the Committee.

The questioning of the witnesses continuing, at 11.05 a.m. on Motion of Mr. Marchand (*Kamloops-Cariboo*), the Committee adjourned to the call of the Chair.

[*Traduction*]

PROCÈS-VERBAL

Le MARDI 27 mai 1969.
(28)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 9 h. 45, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Cullen, Dinsdale, Kaplan, Marchand (*Kamloops-Cariboo*), O'Connell, Orange, Simpson, Southam, St. Pierre, Watson—(12).

De même que: M. Buchanan, député.

Témoins: Du ministère des Affaires indiennes et du Nord canadien: M. R. F. Battle, sous-ministre adjoint (Affaires sociales); M. R. F. Davey, Directeur, Direction de l'éducation (Affaires sociales); M. D. W. Simpson, directeur adjoint, Direction de l'éducation (Affaires sociales).

Le Comité continue à examiner le crédit 5—Administration, Programme social —des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

Le président présente les témoins, qui répondent ensuite aux questions des membres du Comité.

L'interrogation des témoins se poursuivant, à 11 h. 05 du matin, sur la proposition de M. Marchand (*Kamloops-Cariboo*), le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

20396—1½

[*Texte*]

EVIDENCE

(Recorded by Electronic Apparatus)

Tuesday, May 27, 1969

• 0945

The Chairman: Gentlemen, I will call the meeting to order. We are resuming consideration of Vote 5, the Administration and Social program of the Estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

We have with us this morning, Mr. R. F. Battle, Assistant Deputy Minister; Mr. R. F. Davey, Director, Education Branch; Mr. D. W. Simpson, Assistant Director, Education Branch; Mr. O. M. Zakreski, Chief, Vocational Education Division, Education Branch, and Mr. K. Bowles, Assistant Chief, Vocational Education Division, Education Branch.

Mr. O'Connell, at the meeting before last you indicated that you had questions that you were unable to complete. Do you wish to begin, or if you are not ready Mr. Dinsdale also indicated that he had questions. We will give you two gentlemen preference this morning.

Mr. Dinsdale: Mr. Chairman, I think Mr. O'Connell was ahead of me and I will be very, very happy to let you proceed, Martin.

Mr. O'Connell: Mr. Chairman, I think on the last occasion when I was asking some questions of the witnesses it was on the subject of the research effort being put out by the federal authorities. I wonder if we could have indicated to us what research is in progress that is assisted or sponsored by this Department with respect to the learning problems faced by Indian children at various grades.

I am concerned about the loss of momentum which appears to be present in grades seven and eight, I believe, at certain ages. What effort are we putting into the research into reasons for this? Or, better methods of teaching, what do we know about the learning process across cultural boundaries?

Mr. R. F. Davey (Director, Education Branch, (Social Affairs), Department of Indian Affairs and Northern Development): Mr.

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le mardi 27 mai 1969.

Le président: Mssieurs, la séance est ouverte. Nous reprenons l'étude du Crédit n° 5, l'Administration et le Programme social pour l'année financière 1969-1970.

Nous avons ce matin M. R. F. Battle, sous-ministre adjoint; M. R. F. Davey, directeur des services d'éducation; M. D. W. Simpson, directeur adjoint des services d'éducation; M. O. M. Zakreski, chef de la formation professionnelle à la Direction des services d'éducation et M. K. Bowles, chef-adjoint de la formation professionnelle à la Direction des services d'éducation.

Monsieur O'Connell, à l'avant-dernière séance, vous avez indiqué qu'il vous restait quelques questions à poser. Voulez-vous commencer, ou si vous n'êtes pas prêt, M. Dinsdale avait dit qu'il avait quelques questions. Alors, messieurs, nous vous accordons la priorité.

M. Dinsdale: Monsieur le président, je pense que M. O'Connell était avant moi, et je serais très heureux de le laisser commencer.

M. O'Connell: Monsieur le président, je pense qu'à la dernière réunion, lorsque j'étais en train de poser des questions aux témoins, je parlais des travaux de recherches entrepris par les autorités fédérales. Je me demande si l'on pouvait nous dire quels sont les projets de recherche en cours qui sont aidés ou parrainés par ce ministère en ce qui concerne les problèmes d'instruction des jeunes indiens. Par exemple, il semble que les indiens vers la septième ou la huitième année de classe cessent de faire des progrès, connaissent certains retards lorsqu'ils atteignent un certain âge. Quels sont les efforts que nous faisons, quelles sont les recherches que nous entreprenons pour connaître la raison de cet état de choses? Et pour ce qui est des meilleures méthodes d'enseignement, que savons-nous des méthodes d'éducation appliquées aux différentes races et cultures?

M. R. F. Davey (Directeur des services d'éducation, Affaires sociales, ministère des Affaires indiennes et du Nord canadien):

[*Text*]

Chairman, at the last meeting Mr. Battle tabled a list of the research projects which have been conducted in the last year or two in the South and which have been supported by the Department. In addition, there are a considerable number of research projects being conducted in the North.

These projects are directed in four particular areas. First, the research which relates to the early school experience, and particularly the preschool experience.

Second is the language of instruction, and I believe, at a previous meeting I made reference particularly to the language program. Action research conducted by the Department across Canada resulted in the preparation of a program for teaching English or French as a second language. This particular outgrowth has been welcomed not only by our own teachers but by a number of the provincial schools and also I understand it has been used in connection with some programs overseas.

The third area to which we are particularly directing attention is the community school relations and particularly in connection with

• 0950

the teacher and pupil attitudes. This relates specifically to the program which we have encouraged the University of Calgary to undertake. There was some discussion at the close of the meeting last Tuesday.

The fourth area is in relation to schooling and employment, the relationship between school and employment. I gave some statistics last Friday relating to the dropout from the federal schools. I indicated at that time that the dropout in the federal schools was not significant until we got to about grades seven and eight. Even there this is a relatively small sampling of the student population because the majority of the grades seven and eight pupils are in the provincial school system. Those are some of the things we are doing, Mr. Chairman.

In conducting this research the Branch tends to concentrate on a statistical analysis of what is happening using this for the purposes of evaluation and also on making spot checks of the various aspects of the program. If I could revert to the language program to cite an example of this, we conducted a survey using standardized tests in federal schools across Canada.

To our amazement, we found that the Indians in the federal schools in the Maritimes were having more difficulty with subjects

[*Interpretation*]

Monsieur le président, à la dernière réunion, M. Battle a déposé une liste des projets de recherches qui ont été entrepris depuis un an ou deux, dans le Sud et qui ont été appuyés par le Ministère. En outre, on compte un bon nombre de projets de recherches qui sont entrepris dans le Nord à l'heure actuelle. Ces projets couvrent quatre secteurs déterminés. En premier lieu, les recherches qui portent sur les premières années scolaires, et surtout l'âge pré-scolaire.

Deuxièmement, la langue de l'enseignement, et je crois que lors d'une réunion précédente, j'ai fait tout spécialement allusion au programme des langues. L'enquête que le Ministère a effectuée dans tout le Canada s'est terminée par la mise au point d'un programme pour l'enseignement du français ou de l'anglais comme deuxième langue. Ce résultat a été bien accueilli non seulement par nos propres professeurs, mais aussi par un bon nombre d'écoles provinciales et, si je comprends bien, il a été appliqué à certains programmes à l'étranger. Le troisième secteur auquel nous attachons une attention toute particulière est celui des rapports qui existent entre les écoles et le milieu, et particulièrement l'attitude des étudiants et de leurs professeurs; cela se rattache précisément aux programmes entrepris à l'université de Calgary. On en a discuté vers la fin de la réunion mardi dernier.

Le quatrième secteur porte sur l'instruction et l'emploi, c'est-à-dire le rapport entre l'école et l'emploi, j'ai donné quelques chiffres vendredi dernier portant sur les étudiants qui abandonnent les écoles fédérales. J'avais indiqué à cette époque-là le taux d'abandon dans les écoles fédérales n'était pas très élevé avant la 7ième ou la 8ième année. Mais même là, c'est un très petit échantillon de la population étudiante, car la majorité des étudiants de 7ième ou de 8ième année fréquentent les écoles provinciales. Ce sont des exemples des projets qui sont en marche, monsieur le président.

Dans ces recherches, la direction de l'éducation tend à centrer ses efforts sur une analyse statistique de la situation, en se servant de cela à des fins d'évaluation et aussi pour faire des vérifications au hasard des divers aspects du programme. Je reviens au programme de l'enseignement des langues, pour vous donner un exemple, nous avons mené une enquête utilisant des tests uniformes dans les écoles fédérales de tout le Canada.

A notre grande surprise, nous avons constaté que les Indiens fréquentant les écoles fédérales des Maritimes avaient plus de

[*Texte*]

involving language than other parts of Canada. As a result of that, we employed a specialist in this area and sent her down there. She worked in the Maritimes for a couple of years and developed a program there.

Mr. O'Connell: Mr. Chairman, might I ask what opportunities there are for federal inputs into the education process when Indian children are in the provincial schools?

Mr. Davey: This, of course, is a difficult area but we have been encouraged by the sympathetic attitude of the provinces when we have drawn to their attention particular problems. In this connection, I am thinking particularly about the problem of the treatment of the Indian people in the history books. We made a study of the texts that are used across Canada. We also had access to the findings of two other studies. One conducted in Manitoba quite independently of the Department and another study conducted, I believe, in Ontario, also quite independently of the Department. This information was conveyed to the Minister of Education across Canada by our Minister and, as a result, in almost every province committees have been established to look into the curriculum of the province. There has been an improvement in the content, particularly the cultural content of the curricula in the various provinces.

Mr. O'Connell: Mr. Chairman could we be given some indication whether the Department is making any effort to bring together provincial departments of education and the various Indian organizations that are active in all the provinces so that there can be an Indian voice in the programming in the curriculum and the administration of either federal or provincial schools where Indian children are now being taught. What sort of consultative process is available?

● 0955

Mr. Davey: Yes, Mr. Chairman we are doing this in two ways. The first project that comes to mind is a conference, indeed, an association, that has been formed in which this Department participates and the Departments of Education from Alberta, Saskatchewan, Manitoba and Ontario. It includes representation also from the University of British Columbia and the Nouveau Quebec Section of the Provincial Government in Quebec.

This conference meets annually and brings together teachers, administrators, superintendents, Indian people, representatives of

[*Interprétation*]

difficulté à apprendre les langues que dans d'autres paties du pays. Par conséquent, nous avons recruté un spécialiste de cette question qui a travaillé dans les maritimes pendant quelques années et a mis au point un nouveau programme.

M. O'Connell: Monsieur le président, puis-je demander quelles sont les possibilités pour le gouvernement fédéral de contribuer au processus d'éducation lorsque les enfants Indiens fréquentent les écoles provinciales?

M. Davey: C'est évidemment un domaine assez délicat mais l'attitude des provinces lorsque nous leur avons signalé un problème en particulier, a été encourageante. Notamment, lorsqu'il s'agit de la façon dont on parle des Indiens dans les livres d'histoire du Canada. Nous avons fait une enquête sur les manuels employés dans tout le pays et nous disposons également des résultats de deux autres études dont une a été menée au Manitoba et l'autre, je crois, en Ontario, toutes deux en dehors des cadres du ministère.

Ces renseignements ont été transmis aux ministres de l'éducation des provinces par notre ministre, et, par la suite, presque toutes les provinces ont mis sur pied des comités pour étudier leurs programmes d'études. Et, il y a eu une nette amélioration des programmes scolaires des différentes provinces, surtout au point de vue culturel.

M. O'Connell: Monsieur le président, pourrait-on nous dire si le ministère fait quelques efforts pour grouper les ministères provinciaux de l'éducation ainsi que les diverses organisations indiennes qui sont actives dans toutes les provinces, pour que les Indiens aient leur mot à dire lorsqu'il s'agit d'établir les programmes et d'administrer les écoles fédérales ou provinciales fréquentées par les enfants Indiens? Quel genre de processus de consultation existe-t-il?

M. Davey: Nous le faisons de deux façons. Le premier projet qui me vient à l'esprit est, en fait, une association qui a été formée et à laquelle notre ministère participe ainsi que les ministères de l'éducation de l'Alberta, de la Saskatchewan, du Manitoba et de l'Ontario. En outre, il y a des représentants de l'Université de la Colombie-Britannique et de la Section du nouveau Québec, du gouvernement du Québec.

Cette conférence se réunit chaque année et groupe les professeurs, les administrateurs, les surintendants d'écoles, des indiens, des

[*Text*]

Indian school committees and other interested bodies. Interestingly enough, the conference this year is being hosted by the Department of Indian Affairs and Northern Development and is meeting this week in Ottawa.

The second activity which comes to mind is an activity sponsored by the Department of Indian Affairs in British Columbia where we secured the co-operation of the Extension Department of the University of British Columbia to put on a program involving teachers, administrators, Indian parents and other interested people. The first session was held in Vancouver last year, 1968, and the conference held in Kamloops a week or two ago was an extension of that project. These are two of the ways that come to my mind at the moment.

Mr. O'Connell: I would like to ask also Mr. Chairman whether the Department has contracted out any of its adult education services to various Indian groups, some of whom I know have been interested in conducting the adult education programs?

Mr. Davey: I cannot think of a case where we have contracted this out to Indian groups at the present time. There have been indications, however, that several groups may be making representations to us in this regard.

I made reference at an earlier meeting to the consultation we have had with the Alberta Indian Association in respect of a Vocational Training Program, an adult training program, in Alberta. We are still waiting to hear from the Alberta Indian Association in this regard. In order to help the Association we financed a visit by members of the executive of the Association on a trip down to the United States.

There has also been an expression of interest from the Manitoba Indian Brotherhood in this type of activity, particularly slanted towards relocation as well as adult education, but the relocation aspect was the main part of their proposal. We have not worked out the details in respect to this.

Mr. O'Connell: You see no difficulty in principle in doing this?

Mr. Davey: I do not see any difficulty.

Mr. O'Connell: Mr. Chairman could I ask whether the Department has had any discussions or are any arrangements developing with the Canadian Broadcasting Corporation and the National Film Board to see where opportunities might lie to bring these two

[*Interpretation*]

représentants de Comités des écoles indiennes et d'autres organismes intéressés. Il est assez étonnant de remarquer que, cette année, la conférence est organisée par le ministère des Affaires indiennes et du Nord Canadien et se réunit cette semaine à Ottawa.

La deuxième activité à laquelle je songe a été parrainée par le ministère des Affaires indiennes en Colombie-Britannique lorsque nous avons pu nous assurer la collaboration du service d'extension de l'Université de la Colombie-Britannique pour mettre sur pied un programme auquel les professeurs, les administrateurs, les parents indiens, et autres personnes intéressées ont participé. La première réunion a été tenue à Vancouver en 1968, et la conférence tenue à Kamloops il y a une semaine ou deux était un prolongement de ce projet. Ce sont ces deux moyens qui me viennent à l'esprit en ce moment.

M. O'Connell: Monsieur le président, je voudrais aussi demander si le ministère a accordé des contrats pour d'autres services pour l'éducation des adultes à divers groupes indiens, dont je sais que certains seraient intéressés à mener les programmes pour l'éducation des adultes.

M. Davey: Je ne vois pas de cas où nous ayons accordé un contrat à des groupes indiens jusqu'ici, il semble toutefois que plusieurs groupes nous présenteront des instances à cet égard.

J'en ai déjà parlé lors d'une réunion qui a précédé les consultations que nous avons eues avec l'Alberta Indian Association au sujet d'un Programme pour la formation des adultes en Alberta. Nous attendons toujours une réponse de l'association des indiens d'Alberta à cet égard. Pour venir en aide à cette Association, des membres de l'exécutif sont allés en voyage d'études au États-Unis à nos frais.

La Manitoba Indian Brotherhood s'est également intéressée à ce genre de programme, surtout en ce qui a trait à la transplantation et l'éducation des adultes, mais leur proposition insistait surtout sur la transplantation. Nous n'avons pas encore mis les détails au point.

M. O'Connell: Vous ne croyez pas de difficulté, en principe, à cela?

M. Davey: Non.

M. O'Connell: Pourrais-je vous demander, monsieur le président, si le ministère s'est entretenu ou a passé des contrats avec la Société Radio-Canada et l'Office national du film pour savoir quelles sont les possibilités de rallier ces deux organismes publics au ser-

[*Texte*]

public agencies into the service of Indian communities from the education point of view, or, perhaps, from general social and community development points of view?

Mr. Davey: We have a project presently under way with the National Film Board which relates particularly to the development of the educational program. I believe the project is at the point now where most of the work has been completed. I have not yet seen

• 1000

the product, but I will be seeing some of it either this afternoon or tomorrow.

We have not had a great deal of work done with the CBC in this regard; however, some work has certainly been done in connection with the free broadcasts to the North; they have been subsidized in part, not by the education branch but by another arm of the Department, to give support to this particular program.

Mr. O'Connell: Would you see any advantage in your Department in encouraging the CBC to put radio stations on Indian reservations, from the viewpoint of education or general community education?

Mr. Battle (Assistant Deputy Minister (Social Affairs)): Mr. Chairman, there have been general discussions with the CBC, the object of which was to improve the service in Indian communities and Eskimo communities in the North in particular. Certain proposals have been put to the CBC, but we are still waiting for a reaction from them. As I say, this is in respect to improving the general service and providing service where there is none at the present time.

Mr. O'Connell: Mr. Chairman, it seems to me that there are the low power FM stations which may be classified as community stations and which would have great relevance to community education and the general adult education field. I would think that there would be a receptivity to this in the CBC. However, it may take some efforts on the part of this Department in conjunction with Indian groups to advance this. I wondered if you could comment on whether or not you are in a process of close consultation with the Indians on this kind of thing, and if you are stressing the educational aspect?

Mr. D. W. Simpson (Assistant Director, Education Branch, (Social Affairs), Depart-

[*Interprétation*]

vice des collectivités indiennes pour ce qui est de l'éducation des indiens ou du développement communautaire et social en général.

M. Davey: Il y a un projet en cours en collaboration avec l'Office national du film qui porte surtout sur l'amélioration du programme d'éducation. Je pense que ce projet a atteint le point où le travail est presque terminé. Je n'ai pas le résultat, mais j'en verrai certaines parties cet après-midi ou demain.

Nous n'avons pas fait beaucoup de travail avec Radio-Canada dans ce domaine; toutefois, un certain travail a certainement été accompli en ce qui a trait aux diffusions gratuites vers le Nord; elles ont été subventionnées en partie, non pas par la division de l'éducation mais par un autre organisme du ministère, afin d'appuyer ce programme en particulier.

M. O'Connell: Verriez-vous un avantage dans votre ministère, du point de vue de l'éducation ou de l'éducation de la collectivité en général, à encourager Radio Canada à installer des stations de radio dans les réserves indiennes?

M. R. F. Battle (Sous-ministre adjoint (Affaires sociales): Monsieur il y a eu des discussions avec la société Radio-Canada, des discussions d'ordre général dont l'objectif est d'améliorer le service aux communautés indiennes et esquimaudes dans le Nord. Certaines propositions ont été faites à Radio-Canada et nous attendons encore la réaction de la Société. Mais ceci est dans le cadre de l'amélioration du service général et dans l'intention de fournir des services où il n'y en a pas.

M. O'Connell: Il me semble, monsieur le président, que les stations FM à faible puissance pourraient être classées comme stations communautaires et pourraient être très utiles dans le domaine de l'éducation communautaire ou l'éducation des adultes. Et je pense qu'il y aurait une certaine réceptivité de la part de Radio-Canada dans ce domaine. Toutefois cela pourrait demander des efforts de la part du Ministère qui agirait, conjointement avec des groupes indiens en vu de cette réalisation. Je me demande si vous pourriez nous dire si vous êtes en consultation étroite avec les Indiens pour discuter de questions de ce genre et si vous insistez sur l'aspect éducatif?

M. D. W. Simpson (Directeur adjoint, Direction de l'éducation, affaires sociales):

[*Text*]

ment of Indian Affairs and Northern Development): In the North we have had close consultations with both the National Film Board and the CBC in relation to education. I do know that in some of our regions, in connection with the housing education program—I am thinking of Frobisher and Inuvik—a good deal of use has been made of the CBC broadcasting facilities to publicize information regarding the Eskimo rental, housing, and education program. We have also contracted the development of film strips in connection with co-operatives and government to the National Film Board; these are used for adult education. Those are two of the projects that we have embarked upon; we do maintain close liaison with the Northern CBC service at all times.

Mr. O'Connell: I gather from your response that there is not much steam behind this; it does not appear as if you are not taking a leadership role in bringing educational facilities or services of these national agencies into the Indian community.

I have one other question in relation to...

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I have a supplementary question; I think it is pertinent at this time.

What about educational television? Have you had any contact with the people involved in promoting educational TV?

I had an excellent conversation with the

• 1005

people from Alberta, Larry Shorter, the Supervisor of Audio-Visual Services, Department of Education and some of the other people who are involved with ETV in Alberta, just a week or so ago. They were very much interested in the Indian aspect of education; they wondered how they could best gear their ETV to be directed not only to the Indian communities but also to the general communities as well. I suggested to Mr. Shorter a few of the people with whom he should speak in Alberta. I wondered if you had any talks at the Ottawa level about this?

Mr. Simpson: I do know of some talks; there was a conference on educational television in Toronto about two years ago. At that time there was a representative from Indian Affairs as well as myself. One of the limiting factors as far as the North is concerned—I can speak only for the North—was that the Yellowknife Station has only four hours of taped programs; this limits our use of television at the present time, but it does not rule out that possibility. We think that there is

[*Interpretation*]

Dans le Nord, nous avons eu des consultations étroites avec l'Office National du Film et Radio-Canada pour ce qui est de l'éducation. Je sais que dans certaines de nos régions pour ce qui est du programme d'éducation et de logement à Frobisher entre autres, on a beaucoup utilisé les services de diffusion de Radio-Canada pour répandre l'information ayant trait au programme de location, de logement et d'éducation à l'intention des esquimaux. Nous avons aussi donné un contrat à l'Office national du Film pour le développement de films portant sur les coopératives et le gouvernement; ils servent à l'éducation des adultes. Voilà deux des projets que nous avons entrepris; nous demeurons en liaison étroite en tout temps avec le service de Radio-Canada dans les régions du Nord.

M. O'Connell: J'ai l'impression d'après votre réaction qu'il n'y a pas beaucoup d'énergie là-dedans. Il ne semble pas que vous preniez un rôle de leader dans l'apport des services éducatifs ou des services de ces organismes nationaux à la collectivité indienne. J'ai une autre question touchant...

M. Marchand (Kamloops Caribou): Monsieur le président, je voudrais poser une question supplémentaire; je crois qu'elle est pertinente à ce moment-ci. Qu'en est-il de la télévision éducative? Avez-vous eu des contacts avec les personnes intéressées au rayonnement de la télévision éducative?

J'ai eu une excellente conversation avec des gens de l'Alberta, Larry Shorter, le régisseur des services audio-visuels du ministère de l'Éducation et quelques autres personnes qui s'occupent d'éducation éducative en Alberta, il y a une semaine de cela. Ils se sont montrés très intéressés à l'éducation des Indiens; ils se sont demandé comment ils pourraient le mieux concevoir une télévision éducative visant non seulement les collectivités indiennes, mais aussi les aures collectivités en général. J'ai donné à M. Shorter les noms de quelques personnes avec qui il devrait communiquer en Alberta. Je me demande si vous avez eu des conversations à ce sujet au niveau du gouvernement fédéral.

M. Simpson: Je sais qu'il y a eu une conférence pour la télévision éducative, à Toronto, il y a environ deux ans. A cette occasion, il y avait un représentant des Affaires indiennes et j'y étais aussi. Un des facteurs limitatifs en ce qui concerne le Nord, et je ne peux parler que pour le Nord, c'est que la station de Yellowknife n'a que quatre heures de programmes enregistrés sur bandes; cela limite l'usage que nous pouvons faire de la télévision en ce moment, sans toutefois porter

[*Texte*]

room for a tremendous amount of educational programming when TV becomes available throughout the North. However, I think that at the present time we can do more with radio than we have done.

Mr. Davey: As far as the south is concerned, we have not taken the lead in trying to develop programs particularly suited for the Indian population. We do use the provincial TV school broadcasts, of course, and the schools are equipped with television wherever they are within range of a TV station and when they consist of at least three rooms. Aside from that we have not taken the lead in attempting to develop programs particularly adapted for use by Indian schools or which are especially made for Indian pupils.

Mr. Marchand (Kamloops-Cariboo): Have you talked about it at all?

Mr. Davey: There have not been any discussions that I know of at the national level.

Mr. Marchand (Kamloops-Cariboo): Do you think that this should be considered? I was happy with the attitude taken by the Alberta people and with the real interest that they projected in trying to develop programs in the Indian communities that would be meaningful not only to the Indians but also to the non-Indian communities; the proper picture of Indian life would be presented.

Mr. Davey: I do not know what discussions have taken place in Alberta, but to my knowledge we have not had any discussions at the headquarter's level.

Mr. Marchand (Kamloops-Cariboo): Would you consider this?

Mr. Davey: Yes.

Mr. Battle: By all means, yes.

Mr. Marchand (Kamloops-Cariboo): Thank you very much, Mr. Chairman, and you also, Mr. O'Connell.

Mr. O'Connell: I am very glad that we had that intervention; I was going to come into that area. I would like to preface it again; the thing that bothers me quite a bit is that in the process of devolving to the provinces more and more of the educational program by agreement, I fear that this Department will slacken and not seize all the opportunities of

[*Interprétation*]

atteinte aux responsabilités. Je crois qu'il y a de la place pour une très vaste programmation éducative quand la télévision étendra ses services dans tout le Nord. Cependant, je pense que pour l'instant nous pouvons faire davantage avec la radio que nous ne l'avons fait.

M. Davey: En ce qui concerne le Sud, nous n'avons pas essayé d'ouvrir la marche dans une tentative de réaliser des programmes particulièrement adaptés à la population indienne. Nous utilisons les émissions scolaires de la télévision provinciale, bien sûr, et les écoles sont munies de téléviseurs, quand elles se trouvent dans le champ de diffusion d'une station de télévision et quand elles comptent au moins trois pièces. En dehors de cela, nous n'avons pas ouvert la marche pour tenter de réaliser des programmes particulièrement adaptés pour usage dans les écoles indiennes ou qui sont conçus expressément pour les écoliers indiens.

M. Marchand (Kamlcops-Caribou): Avez-vous abordé la question?

M. Davey: Il n'y a pas eu de discussions à ce sujet, au niveau national, que je sache.

M. Marchand (Kamloops-Caribou): Croyez-vous que cela devrait être considéré? Je me suis réjoui de l'attitude prise par les gens de l'Alberta et de l'intérêt véritable qu'ils ont manifesté en essayant d'élaborer des programmes dans les collectivités indiennes qui seraient significatifs non seulement pour les Indiens mais aussi pour les collectivités qui ne sont pas indiennes. Le vrai visage de la vie indienne serait présenté.

M. Davey: Je ne sais pas quelles discussions ont eu lieu en Alberta, mais à ma connaissance nous n'avons pas eu de discussions au niveau du bureau central.

M. Marchand (Kamloops-Caribou): Est-ce que vous pourriez envisager cela?

M. Davey: Oui.

M. Battle: Oui, certainement.

M. Marchand (Kamloops-Caribou): Merci monsieur le président et merci monsieur O'Connel.

M. O'Connell: J'étais heureux que nous ayons eu cette intervention, j'avais l'intention d'aborder ce domaine. Je voudrais le redire encore, ce qui me préoccupe passablement c'est qu'en raison du processus de la remise aux provinces d'une part de plus en plus grande du programme éducatif à la suite d'accord, je crains que le Ministère ralentira

[*Text*]

modern technology, and so on, to fill needs that are still great. Would you like to respond to that?

Mr. Battle: Yes, I would like to comment on that, Mr. Chairman. I would also like to hear the views at the members of the Committee concerning the Department's role in education. Do we continue the Department in the educational field? We in the Department react to an expression of need; we are human beings, despite what people may say about us. When there is a strong expression of need in a number of areas, including new areas such as the use of educational television, are we expected to respond positively and embark upon the development of programs, and

• 1010

embark upon the development of the provision of services?

It has been my general understanding of the policy in Indian Affairs, particularly in respect of education, that we are to devolve to the provinces as rapidly as is possible. This was the road that we were launched on in 1950-51 as a result of the recommendations of the joint parliamentary committee. The parliamentary committee that met 10 years later re-affirmed this course and made it very clear to us that this was the direction in which we were to go with full speed ahead as fast as possible. This is the course we have been on.

If we respond to an expression of needs, adding staff because one has to have expertise in this field, inevitably I think we are going to be going in the opposite direction. I personally feel as if I am riding two horses and they are getting farther apart all the time. This is my concern.

Now, even worse than that—even worse than that—if the department reacts in a positive way to all of these wonderful things which we would like to see done, my feeling is that the agencies responsible for the provision of services to these people under the new policy, under the new direction which we have been on in the last 10 or 15 years, will not feel as responsible as they ought to, will not react as they ought to, and heavens, there are more than Indian people involved in these kinds of deficiencies, these kinds of lax service. There are other people in the provinces too who need this kind of service: educational TV, attempts to keep the children in school and all these kinds of things. So we want to get the provinces looking at them. We want to get the Indian people looking at them as being their problems and not simply the

[*Interpretation*]

et ne saisira pas toutes les occasions offertes par la technologie moderne pour satisfaire à des besoins qui sont encore considérables. Voudriez-vous répondre à cela.

M. Battle: Oui, j'aimerais faire des observations à ce sujet, monsieur le président. J'aimerais aussi savoir quelle est l'opinion du Comité quant au rôle du Ministère en matière d'éducation. Est-ce que le Ministère persiste dans le domaine de l'éducation? Nous, au Ministère, nous réagissons devant l'expression d'un besoin; nous sommes des êtres humains, malgré ce que les gens peuvent dire de nous. Quand des besoins se font fortement sentir dans nombre de domaines, notamment dans des domaines nouveaux comme celui de la Télévision éducative, devons-nous répondre positivement et prendre des mesures pour assurer ces services? J'ai cru comprendre généralement que la politique des affaires indiennes, surtout en matière d'éducation, que nous devons rendre aux provinces aussi rapidement que possible le rôle qui nous a été accordé en 1950-51 par le comité parlementaire conjoint. Le même comité, dix ans plus tard ce comité a réaffirmé cette façon d'agir et nous a dit très clairement que c'est dans ce sens que nous devrions aller aussi rapidement que possible, à pleine vapeur. Et c'est ce que nous avons fait.

Maintenant si nous devons réagir à une expression de besoins, ajouter du personnel car il faut dans ce cas là avoir des experts dans ce domaine. Inévitablement nous allons aller dans la direction opposée, et personnellement j'ai l'impression de courir deux lièvres à la fois. C'est essentiellement ma préoccupation.

Mais ce qui est pire, c'est que si le ministère réagit d'une façon positive par rapport à toutes ces choses merveilleuses que nous aimerions pouvoir faire, nos sentiments sont que les agences responsables des services dans le cadre de la nouvelle politique qui existe depuis 10 à 15 ans, ne se sentiront plus aussi responsables qu'elles ne l'étaient dans la provision des services aux indiens en vertu de cette nouvelle politique et ne réagiront pas comme elles devraient le faire. Il n'y a pas que les Indiens qui manqueront de ces services, d'autres personnes dans les provinces ont besoin de ces services, de la télévision éducative. Les efforts pour garder les enfants à l'école etc. Nous voulons que les provinces s'en occupe, nous voulons que les indiens s'en occupe comme s'il s'agissait de leur problème et non le problème des agences fédérales qui

[*Texte*]

problems of a federal agency which must go on providing services. This is my concern, Mr. Chairman. If it is the feeling that we ought to be expanding our efforts in this direction, and if it is a strong feeling, I have concern that it will lead us away from our ultimate goals.

Mr. O'Connell: Mr. Chairman, I do not see the dilemma quite in that light. I think the role of the department is a very strong leadership role. It does not mean building great new staff and great new programs but it surely has a role after its experience in this field to bring in the CBC, to bring in the National Film Board, to dialogue with the provinces about the character of the education that those new charges going into their schools are going to have. I do not feel there is enough of that. The solution to the dilemma is not to sit riding two horses but to bring the Indian organizations and the Indian people fully into the act. They will resolve the dilemma of which direction they wish to go and from which level of services they want to tap the programs; but what I fear is that this transition and this concern of riding two horses will mean we will not ride any horse. I do not see enough leadership in research. I do not see enough leadership, for example, in encouraging institutes of Indian studies in the universities. I do not see enough in the TV and in the radio programs and in the community development through radio and television.

I would like to ask another question perhaps to illustrate. What is the Department doing with respect to the satellite that is going to be up in the sky soon?

What sort of input from the native people is going into the satellite program—because they are going to have all that beamed down at them: it is going to be available. This is the kind of leadership I mean. I do not mean a bureaucratic one. I am in favour of the devolution of more and more to the provinces but I do not see the provinces ready to do that job because they are geared to do a job standardized for everybody. Are we feeding Indian children into a standardized process that is not really for them yet? It is all that preparatory stage that I think expands the functions of the Department but in ways different from the old way. As they lose functions they gain new ones of a quite different kind but far more significant.

• 1015

Mr. Battle: So I gather, Mr. Chairman, that we see the Department being in the education business for many years to come.

Mr. O'Connell: Yes, in many respects. I do not think that the Department loses its re-

[*Interprétation*]

doivent continuer à fournir des services. Voilà ce que je pense. Si vous pensez que nous devons développer nos efforts dans ce domaine, alors, je crois que nous serions obligés de nous écarter de notre objectif final.

M. O'Connell: Monsieur le président, je ne vois pas le dilemme de la même manière. Je pense que le rôle du ministère est un rôle de leadership important. Je ne veux pas dire qu'il faut entreprendre des grands programmes et engager du personnel, mais il doit essayer de faire coopérer l'Office national du film, la Société Radio-Canada afin que ces organismes dialoguent avec les provinces de la nature des programmes d'éducation. Je pense que l'on a fait très peu dans ce sens. La solution du dilemne ce n'est pas de courir deux lièvres à la fois mais d'ammener les Indiens à prendre part et c'est à eux de décider dans quel sens ils veulent aller. Mais j'ai l'impression que cette étape de transition risque de nous conduire nulle part. Je ne vois pas suffisamment de «leadership» dans la recherche, par exemple, dans le soutien des recherches dans les instituts d'études indiennes. Il n'y a pas assez d'efforts dans le développement communautaire par le truchement de la télévision ou de la radio.

J'aimerais poser une autre question, pour illustrer ces faits. Qu'est ce que fait le ministère en ce qui concerne ce satellite qui sera dans le ciel bientôt?

Quelle participation des Indiens figurera dans ces programmes par satellites? Car désormais ils pourront tous regarder la télévision. C'est de ce genre de «leadership» que je veux parler. Je suis en faveur de donner de plus en plus de responsabilités aux provinces, mais elles ne sont pas prêtes à le faire, parce qu'elles préconisent une certaine unification de leurs programmes. Allons-nous fournir aux enfants indiens des programmes pour lesquels ils n'ont pas été préparés? Il y a tout un stade préparatoire, je pense, qui développe les fonctions du ministère mais de façon différente. Or en perdant certaines fonctions, le ministère en acquiert de nouvelles, assez différentes, mais très importantes.

M. Battle: Donc, nous voyons que le ministère va s'occuper de l'éducation pendant encore bien des années.

M. O'Connell: Oui, dans bien des domaines. Je ne pense pas que le ministère perde sa

[*Text*]

sponsibility in this field because someone else is administering the program. I think they have a role to play. The more they can bring the Indian people into playing that role the better—which means that they can reduce their functions.

But let me go on. What activities is your Department carrying on with respect to the communications satellite program?

Mr. Battle: I cannot answer that. I am sorry.

Mr. O'Connell: I do not think it has any program but has it not a responsibility? Is it a one-way street? That is really what I am asking. Is the satellite going to put some programs down into the North or will the North have some programs to put up into the satellite, too? And similarly on the educational TV, what is the content of the program? Is it the final solution to the problem of integration, or is there an Indian and an Eskimo content going in there? That is where I think the departments have a function that they cannot get out of at the moment; they have to go into it. And if that means expansion of the departments, I am all for it because there is nobody else at the moment who can exert that leadership.

Mr. Davey: May I comment, Mr. Chairman? The point is an interesting one and I think it indicates the distance that we have come over the last few years. The criticism used to be that the content in the provincial curriculum ignored the Indian. Now the criticism has left that, because the provinces have improved and are improving the curriculum so that there is a cultural content that is pertinent to the Indian population. I am not suggesting that it is perfect by any means. Now the suggestion is being made that this should be expanded into other areas. I do think it is an indication, at any rate, of some of the distance that we have come.

Mr. O'Connell: Is the Department making any efforts, from the viewpoint of a general back-up to the whole cultural evolution process, to assist universities or to encourage them or to lead them into the establishment of institutes of Indian studies? If we are going to be serious about integration without disappearance, one has to work at the thing all through the spectrum of cultural development and evolution, and at the university level there will be very important inputs into the educational program in various places. What effort is being put in there?

Mr. Davey: There are discussions going on presently with two universities in this

[*Interpretation*]

responsabilité dans ce domaine parce que quelqu'un d'autre est en train d'administrer le programme. Parce que le ministère a un rôle à jouer. Plus ils peuvent ammener les indiens à jouer ce rôle, à participer, mieux cela sera. Le ministère pourra alors réduire ses fonctions. Je poursuis. Quelles activités votre ministère entreprend-il en ce qui concerne la télévision par satellites.

M. Battle: Je ne puis répondre. Je suis désolé.

M. O'Connell: Je présume donc que vous n'avez rien prévu. N'avez vous pas cependant une responsabilité dans ce domaine? Est-ce que c'est une voie en sens unique? Voilà ce que je demande. Est-ce que le satellite va fournir des programmes au Grand Nord ou est-ce que le Grand Nord transmettra des programmes par satellites. Il en est de même pour la télévision éducative. Quel est le contenu du programme? Est-ce que c'est la solution définitive au programme d'intégration ou est-ce qu'il y aura un contenu indien et esquimaux? C'est là que le ministère a un rôle à jouer. Il ne peut pas rester sans rien faire, et même s'il faut une expansion du ministère, j'en suis, parce qu'il n'y a personne d'autre qui peut faire ce travail.

M. Davey: Puis-je commenter, monsieur le président? C'est une question intéressante qui indique la distance que nous avons couvert au cours de ces dernières années. La critique était dans un sens que le contenu du programme provincial ignorait l'Indien. Maintenant, les provinces améliorent leurs programmes, donc il y a un contenu culturel qui est pertinent à la population indienne. Je ne dis pas qu'il est parfait. Maintenant, on suggère que la culture devrait s'étendre dans d'autres domaines. C'est donc une indication d'une façon ou d'une autre de la distance que nous avons couvert.

M. O'Connell: Est-ce que le ministère fait des efforts dans le cadre de l'évolution culturelle générale afin d'aider les universités à établir des instituts pour les études indiennes. Si nous voulons vraiment l'intégration sans la disparition, il faut tenir compte de tout le développement culturel et de toute l'évolution, et au niveau universitaire, il faudra que des contributioss importantes et des efforts soient faits.

M. Davey: Il y a des discussions en ce moment avec deux universités dans ce con-

[*Texte*]

regard—Western Ontario University and Trent University. There have been some proposals from other universities but I am not able to say that there are any definite conversations or consultations going on in respect of this.

Mr. O'Connell: Well, then, do I take it that in this whole field of education the Department's posture is one of waiting?

Mr. Davey: No, Mr. Chairman, that is not the posture. The posture of the Department has been to drive towards the devolution of the program to the provinces, as Mr. Battle has already outlined, and our energies and efforts have been concentrated in that direction. At the present time in British Columbia, for example, only 25 per cent of the Indian population are in federal schools; 75 per cent are in the provincial system.

Mr. O'Connell: Numbers do not interest me at all. I am sorry to say that, Mr. Chairman. That is an interesting statistic but what is happening now in the provincial schools? That is the point I am really trying to get at. What sort of back-up for the process is going on? There is the process of withdrawal. I can

• 1020

see that. What I am trying to suggest is that that carries its own danger.

Mr. Davey: I think the results are indicated in the change that has taken place. For example, in high school enrolment, where, in 1947, there were nearly 100 at the secondary school level, according to our records, today the number is 7,000. This is the extent of the change that has been brought about by the involvement of the provinces.

Mr. O'Connell: That is all. Mr. Chairman.

The Chairman: Mr. Dinsdale?

Mr. Dinsdale: Yes, Mr. Chairman. I will begin by pursuing the subject Mr. O'Connell has raised. The problems that arise in any process of change, as referred to by Mr. Battle, where departmental functions in a field are withering away at the expressed wish of successive Parliamentary committees, have presented a new set of problems. In the withdrawal process would not the most appropriate procedure be to emphasize, within the educational functions of the Department of Indian Affairs, the co-ordination aspects during the transition period?

For example, in broadcasting CBC does have special facilities and special personnel

[*Interprétation*]

texte. L'Université Western Ontario et l'Université Trent. Il y a eu des propositions de la part d'autres universités mais je ne suis pas en mesure de dire s'il y a des consultations sérieuses qui se tiennent à ce sujet.

M. O'Connell: Donc dans le domaine de l'éducation la situation du ministère est donc une politique d'attente.

M. Davey: Non, ce n'est pas notre position, ce n'est pas la position du ministère. La position du ministère a été d'atteindre ce stade où les programmes seront remis aux provinces. Comme M. Battle l'a déjà souligné, il y a une concentration d'énergie dans ce sens. Donc en ce moment, en Colombie-Britannique, par exemple, seulement 25% de la population indienne fréquente des écoles fédérales, 75% des élèves vont déjà dans des écoles provinciales.

M. O'Connell: Les chiffres ne m'intéressent absolument pas. Ce sont d'intéressantes données statistiques. Je voudrais savoir ce qui se passe dans les écoles provinciales. Il y a un processus de retrait et cela comporte des dangers inhérents.

M. Davey: Je pense que les résultats sont indiqués dans les changements qui ont eu lieu dans l'inscription aux écoles secondaires. Il n'y avait qu'une centaine d'élèves indiens au niveau secondaire en 1947, selon nos dossiers, alors qu'aujourd'hui, il y en a 7,000. Voilà l'ampleur du changement qu'a apporté la participation des provinces.

M. O'Connell: C'est tout, monsieur le président.

Le président: Monsieur Dinsdale.

M. Dinsdale: Monsieur le président, je vais commencer en poursuivant le sujet touché par M. O'Connell. Les problèmes qui se posent dans tout changement, comme l'a dit M. Battle, où certaines fonctions d'un ministère disparaissent à la suite des recommandations de comités parlementaires successifs, ont apporté de nouvelles difficultés. Dans ce processus de retrait, ne serait-il pas préférable de mettre l'accent sur la coopération pendant cette période de transition, à l'intérieur des fonctions en éducation du ministère des Affaires indiennes.

Par exemple, en ce qui concerne la radiodiffusion, Radio-Canada a des installations et

[*Text*]

charged with the responsibility of making certain that programming suitable and helpful to our Indian Canadians is provided. Does your Branch co-ordinate with this particular group of specialists within the CBC? Is there any point of contact at which advice might be offered from your Educational Branch to these people in the CBC to help them to determine the kind of program that would be most helpful and useful for adult education and for general cultural and educational purposes designed to meet the special needs of Indian citizens?

Mr. Simpson: I would not want to answer for the whole spectrum of Indian education, but I can say that in the Northern Education Program I feel we have had close consultation with the CBC and with the National Film Board. We have not always had as much money as we would have liked to have to produce the number of films and film strips that we could have produced, because these are expensive; I think the last one we produced cost $40,000. It is difficult to get that kind of money for a 20-minute film.

At the same time, we do maintain constant contact with Northern Service, CBC, relative to education programs; and particularly, as I indicated previously, in the Housing Education Program and Adult Education Programs there has been a broader use of the CBC facilities, I think, in the Mackenzie Delta where there was a special community development project.

I do not want to speak about that particularly, because I think other people were involved in it besides those in education. But it was an extremely useful project, and I think it could be used.

If I might go back to one of Mr. O'Connel's statements in relation to the use of satellites, we have investigated this and we do know, and are aware, of the possibilities of satellite broadcast to the North, particularly to the isolated settlements.

This aspect, I think, is another technique of making available broadcasts. Where we enter into it is in providing a program content that can be utilized in these broadcasts.

As we are in the process of devolving to the Northwest Territories we will have fewer resources available in Ottawa to help to pro-

• 1025

duce content. We have talked with CBC about the possibilities of future transmission via satellite. At the present time, of course, there are no television sets in the Eskimo communi-

[*Interpretation*]

un personnel spécial pour assurer que des programmes pertinents et utiles aux Indiens du Canada soient réalisés. Y a-t-il coopération entre ces spécialistes et votre Direction? Y a-t-il un point de contact avec ces personnes? Est-ce que la Direction de l'éducation offre des conseils à ces gens, à Radio-Canada, qui pourraient les aider à décider du genre de programme qui serait le plus utile en matière d'éducation des adultes, de culture et d'éducation en général qui tiennent compte des besoins particuliers des Indiens.

M. Simpson: Sans parler de tout le programme d'éducation des Indiens, je puis dire que dans le programme d'éducation dans le Nord, je pense que nous avons eu des consultations étroites avec Radio-Canada et l'Office national du film. Nous n'avons pas toujours eu autant d'argent que nous aurions aimé avoir pour produire le nombre de films et de bandes que nous aurions pu produire parce que ceci coûte cher. Je crois que le dernier film que nous avons produit coûtait $40,000. Il est difficile d'obtenir de telles sommes d'argent pour faire un film de vingt minutes. Par ailleurs, nous maintenons un contact constant avec le Service du Nord de Radio-Canada en ce qui concerne les programmes d'éducation. Comme je l'ai dit, dans le programme d'éducation des adultes et le programme d'éducation en matière de logement, on a fait un emploi plus poussé des installations de Radio-Canada, particulièrement dans le delta du Mackenzie où il y a eu un programme de développement communautaire.

Je ne veux pas parler de cela en particulier, parce qu'il y a eu d'autres personnes d'intéressées, à part les gens du domaine de l'éducation. Ce fut un programme extrêmement utile, et je crois qu'on pourrait s'en servir. J'aimerais revenir à l'une des déclarations de M. O'Connell au sujet de l'emploi des satellites. Nous avons étudié cette question et nous connaissons les possibilités de radiodiffusion par satellite dans le Nord, surtout dans les villages isolés. C'est une autre technique de radiodiffusion. Notre tâche serait de fournir la matière qui puisse être utilisée dans ces émissions. Vu que nous sommes à transmettre nos fonctions aux Territoires du Nord-Ouest, nous aurons donc moins de ressources, à Ottawa, pour aider à fournir ce contenu. Nous avons parlé à Radio-Canada des possibilités d'émission par satellites. Pour l'instant, il n'y a pas de récepteurs de télévision dans les communautés indiennes et esquimaudes du nord, c'est donc pour l'avenir.

[*Texte*]

ties or in the Northern Indian communities, so it is all future planning.

However, in the devolvement to the territorial government there is a component for curriculum development, and for this type of research associated with education development. This is built into the new Department of Education in the Territory.

Mr. Dinsdale: This is the point I am trying to make. Telesat is merely a new technology. It will not change the content, as such. It does, however, provide technology that will eventually, if all goes well, provide complete coverage to all parts of Canada.

Now that the specialized responsibilities for Indian Affairs and Eskimo education are being delegated to the territorial authorities and to the provincial authorities, in the transition period—in the withdrawal phase—is there continuous co-ordination and co-operation with provinces, with territorial governments and with the special agencies within the CBC, which is accepting its responsibilities to provide specialized programming for Indians? Is your Branch just letting the process drift on, without any direction from your background of information, or do you keep in touch? Is there constant contact to make sure that, based on your long experience with Indian education in the past, they have the best advice on how best they can provide this specialized service to this particular ethnic group?

Mr. Davey: Yes, Mr. Chairman, we certainly are working with the provinces in this area of program development. We are in constant contact with the Ontario Institute for Studies in Education, for example. A commission has been set up there which is concerned with the development of program material suitable for the use of people of Indian origin.

Curriculum committees have been established in almost all provinces, and we have inputs into those committees. This is the area in which I personally believe we should work rather than building up any staff at Head Office; we should work with the provinces, the provinces preparing the material, with some input from us.

Mr. Dinsdale: It has been the complaint in the past, as you know, that all educational materials have been geared to the dominant values of the white community and have provided a real education handicap.

Obviously, as responsibility devolves upon the provinces, it now becomes their responsibility to deal with this culture gap existing in

[*Interprétation*]

Néanmoins, lorsque nous remettrons nos fonctions au gouvernement territorial, il y aura un organe de gouvernement chargé de la mise au point des cours et de la recherche en éducation. Cela figurera dans le cadre du nouveau Ministère de l'éducation des Territoires du Nord-Ouest.

M. Dinsdale: Voici ce que je veux dire: Télésat, ce n'est qu'une nouvelle technique; cela ne changera pas le contenu en tant que tel, mais fournit une technique nouvelle qui, si tout va bien, pourra éventuellement couvrir tout le Canada. Maintenant que les tâches spécialisées en matière d'éducation pour les Indiens et pour les Esquimaux sont déléguées aux autorités territoriales et provinciales; dans la période de transition, période de retrait, est-ce-qu'il y aura coopération et coordination avec les gouvernements des territoires ou provinciaux et aussi avec les agences de la société Radio-Canada, qui accepte de fournir des programmes spéciaux pour les Indiens. Votre Direction laisse-t-elle les choses suivre leur cours, sans donner aucun conseil, ou s'il y a des contacts suivis pour assurer que, d'après votre longue expérience en matière d'éducation pour les Indiens, ils auront les meilleurs conseils sur la manière de fournir ces services particuliers pour ce groupe ethnique?

M. Davey: Oui, monsieur le président, nous travaillons de concert avec les provinces dans ce domaine de la mise au point des émissions. Nous maintenons des contacts avec la *Ontario Institute for Studies in Education* par exemple. On a mis sur pied une commission qui s'occupe du développement des émissions spécialement conçues pour les personnes d'origine indienne. Dans presque toutes les provinces, on a établi des comités pour établir les cours, et nous y avons notre mot à dire. C'est dans ce domaine, à mon avis, que nous devrions travailler, plutôt que d'avoir à augmenter le personnel du bureau central. Nous devrions travailler de concert avec les provinces: Les provinces préparent les émissions, et il y aurait participation de notre part.

M. Dinsdale: Comme vous savez, il y a eu des plaintes; on disait que tout le contenu éducatif était axé sur les valeurs dominantes de la communauté blanche, ce qui était réellement un obstacle. Maintenant que ces fonctions sont remises aux provinces, c'est à elles de combler cette lacune culturelle dans le contenu des programmes d'éducation. Ceci

[*Text*]

the educational content of the educational program. This applies not only to the youngsters in school but to adult education programs and to ETV, the legislation for which, as you know, has had first reading in the House of Commons. This is going to become an educational agency of fundamental and increasing importance, and I hope that Indian Affairs Department officials would keep their departmental finger on the pulse and offer advice and direction, because they certainly learned the hard way in the past. We do not want to repeat the same mistakes as we move into this new area of responsibility.

• 1030

Mr. Davey has mentioned co-ordination with provincial governments and this, of course, is basic to any educational program in Canada. What progress is being made with respect to having Indian representation on the school boards? There have been special attempts I know to get Indian representation, particularly on the regional boards and under the new large area school programs, but it is my impression that we do not have too many Indians serving on regional school boards where the real work of operating the community schools takes place.

Is there any progress in this regard? Is there any effort being made to see that progress is made?

Mr. Davey: Yes, Mr. Chairman; we started back in 1963 and I made reference to this at a previous meeting when I had an opportunity of speaking to the Ministers of Education at the Canadian Education Association Conference in Quebec in 1963. Since that time the province of British Columbia has extended to the Indian people the right to vote in school board elections and the province of Saskatchewan has done the same. In Saskatchewan within the last year the Key reserve community has elected to join the larger administrative unit and has representatives on the advisory committee. They did have the privilege of sending a representative to the unit board, but they elected first to have a representative on an advisory board as a preliminary step in this direction.

The Province of New Brunswick now has enabled Indian representation on the school boards there and there are at least two boards which have representation from the Indian communities. This is a small beginning, but there have been a number of legislative problems and the provinces have had to amend their school legislation in order to

[*Interpretation*]

s'applique non seulement aux enfants d'école, mais aussi au programme d'éducation des adultes et à la télévision éducative. Vous savez qu'il y a déjà eu une première lecture du projet de loi qui concerne cette question. Ceci deviendrait une agence d'éducation d'importance fondamentale et croissante, et j'espère que les fonctionnaires du ministère des Affaires indiennes suivront cela de près et offriront des conseils, parce qu'ils ont certainement dû apprendre dans des situations très difficiles et nous ne voulons pas répéter les mêmes erreurs.

Monsieur Davey a parlé de la collaboration des provinces. Celle-ci est essentielle dans tous programmes d'éducation au Canada. Je voudrais savoir quel progrès a été accompli en ce qui concerne la représentation indienne au sein des commissions scolaires. On a tenté d'intégrer les Indiens aux commissions scolaires régionales et aux programmes scolaires d'expansion mais, j'ai l'impression que nous n'avons pas beaucoup d'Indiens qui travaillent aux commissions scolaires régionales où se fait vraiment le travail.

Est-ce que du progrès a été accompli dans ce domaine? Essaie-t-on de faire quelque chose pour s'assurer que se fera ce progrès?

M. Davey: Oui, monsieur le président. J'en ai déjà parlé lors d'une réunion antérieure où j'ai eu l'occasion de parler aux ministres de l'éducation réunis pour la conférence de l'Association canadienne de l'Éducation à Québec. Depuis cette époque, la Colombie-Britannique a accordé aux Indiens le droit de voter aux élections des commissions scolaires; la Saskatchewan a agit de même. En Saskatchewan, depuis un an, la principale collectivité indienne a la permission de travailler au secteur administratif et d'être représenté au comité consultatif. Ils pouvaient donc envoyer un représentant à la commission mais, ils ont d'abord décidé d'être représentés au comité consultatif, un premier pas vers la direction.

Le Nouveau-Brunswick compte maintenant des Indiens au sein des commissions scolaires; au moins deux commissions scolaires comptant des représentants indiens. C'est un humble début mais, il y a eu un certain nombre de problèmes législatifs; les provinces ont dû modifier leurs lois scolaires afin de permettre ces changements qui sont dus à l'entervention

[*Texte*]

make this possible. The changes have come about in part due to the representations which our Department has taken to the Departments of Education.

Mr. Dinsdale: You have mentioned several provinces which have accepted the responsibilities in this matter. Has there been resistance to the idea from any of the provinces? What would be the reason for delay in certain provinces?

Mr. Davey: I do not think there is any quarrel in principle. It is a matter of the need to amend legislation and to work out the most suitable arrangement for the particular situation that applies in the province.

Mr. Battle: Mr. Chairman, the province of Alberta had indicated that they would move in the same direction, introducing a legislative change, but the Indian-Eskimo Association of Canada asked at the last session that it be withheld until they had a chance to study it. They wanted to study it themselves, but Alberta is ready to go in that direction.

Mr. Dinsdale: Then I presume Manitoba would be moving along in that direction?

Mr. Davey: Manitoba is sympathetic too, but as I understand it there is a legislative problem there.

Mr. Dinsdale: It would seem then that the officials are maintaining contact with the provincial authorities and applying pressure if not persuasion to move along in this direction as quickly as possible. I think this is an essential aspect of the transference of education responsibility from the federal Department to the provincial authorities to ensure that the Indians are properly represented and their special needs are taken into consideration in provincial educational programs.

Mr. Davey: Mr. Chairman, I might make a further observation, particularly in respect to British Columbia. The right to vote in school board elections in British Columbia is conferred only when the Indian people request that right. In this connection we have sent

• 1035

out 12,000 brochures which were distributed to every Indian family on every reserve in British Columbia indicating what they needed to do in order to have this privilege, this right of voting. It is a right that is conferred only when the Indian makes application for registration as an elector.

Mr. Borrie: Mr. Chairman, that also applies to the whites in the communities too. It is not just segregated to Indians.

[*Interprétation*]

de notre Ministère dans les affaires des ministères de l'Éducation.

M. Dinsdale: Vous avez parlé de bien des provinces qui ont accepté leurs responsabilités dans ce domaine. Certaines provinces ont-elles été rebelles à cette idée? Pourquoi y a-t-il des retards dans certaines provinces?

M. Davey: Je ne pense pas qu'il y ait d'opposition au principe. Tout dépend de la nécessité de modifier une loi et d'en arriver à la meilleure solution possible pour chaque province.

M. Battle: Monsieur le président, l'Alberta a dit vouloir agir dans ce sens et modifier la loi mais, à la dernière assemblée de l'Association canadienne Indienne-Esquimaude, ils ont décidé d'attendre jusqu'à ce qu'ils aient pu l'étudier. Ils veulent l'étudier eux-mêmes mais l'Alberta est prête à agir dans ce sens.

M. Dinsdale: Je suppose que le Manitoba agira dans le même sens.

M. Davey: Le Manitoba est d'accord avec cette idée mais il y a des problèmes législatifs.

M. Dinsdale: Il semble que les fonctionnaires entretiennent des relations avec les autorités provinciales, et essaient—si ce n'est forcer—d'agir dans ce sens aussi vite que possible. Je crois que c'est là l'aspect essentiel du transfert de compétence en matière d'éducation du fédéral au provincial pour être sûr que les Indiens soient bien représentés et qu'on réponde à leurs besoins particuliers dans les programmes provinciaux d'éducation.

M. Davey: Monsieur le président, je pourrais peut-têre ajouter une autre observation, surtout en ce qui a trait à la Colombie-Britannique. Le droit de vote aux élections dans les commissions scolaires de Colombie-Britannique est attribué seulement aux Indiens qui en font la demande. A ce propos, nous avons envoyé 12,000 brochures aux familles indiennes de toutes les réserves de Colombie-Britannique, et nous leur avons indiqué ce qu'ils devaient faire pour jouir de leur droit de vote. Ce droit n'est attribué qu'aux indiens qui s'inscrivent comme électeurs.

M. Borrie: Monsieur le président, cette mesure vaut également pour les Blancs. Elle ne s'applique pas seulement aux Indiens.

[*Text*]

Mr. Dinsdale: In this transition period too, one of the great problems that is becoming increasingly evident is the question of the generation gap between the adult Indians and the youngsters who are now moving forward in the educational scheme of things.

Is this regarded by those who are intimately in contact with the problem as one of growing significance? Do you find that as the Indian youngsters move into the provincial school systems they are being educated away from the adult community and from the reservation community with the result that the normal process of conflict between generations is aggravated to the degree that it becomes a real social problem? Is this in evidence at all at this stage?

Mr. Davey: There is no doubt, Mr. Chairman, that there is evidence of this. One of the things that we have attempted to do to reduce this problem is to get more and more Indian people involved in the administration of the school program. The school committee program, for example, has grown from a very small beginning some 10 years ago and a very slow growth over a period of 5 or 6 years. Now it is beginning to grow very rapidly partly because, I think, we have been able to bring school committee members to gather in conferences, provincial conferences and in the last two years national conferences. This seems to have given a new impetus to the school committee program.

One other aspect that has helped in this regard is the grants to Bands Program which puts in the hands of the Indian communities funds so that they can administer at least some aspects of various band programs, including education.

Mr. Dinsdale: You are saying...

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, may I just make one supplementary comment here? So-called generation gaps are not peculiar only to Indian people and Indian communities.

Mr. Dinsdale: That is what I said. It is a normal aspect of growing up, but it is especially aggravated at this time because of the transition that we are going through in the approach to Indian educational problems. I know I had a generation gap with my father too and I am sure Mr. Marchand did. I want to ask the question about these education committees. Do they operate on every reserve?

Mr. Davey: No, last year we had approximately 163. In the current year we have 180,

[*Interpretation*]

M. Dinsdale: Au cours de cette période de transition, un des grands problèmes qui devient de plus en plus important est l'écart qui existe entre les parents et les enfants qui sont de plus en plus instruits.

Ceux qui considèrent sérieusement ce problème, croient-ils qu'il est de plus en plus important? Croyez-vous que plus les jeunes Indiens fréquentent les écoles provinciales, plus ils s'éloignent des adultes et de toute la collectivité et plus le conflit entre les générations s'aggrave à tel point qu'il devient un vrai problème social? Est-ce évident en ce moment?

M. Davey: Oui, c'est évident, monsieur le président. Nous avons essayé de faire certaines choses pour régler ce problème, en permettant à un plus grand nombre d'Indiens de participer à l'administration de programmes scolaires. Les comités qui déterminent les programmes scolaires ont connu des débuts très humbles, il y a 10 ans, et des progrès très pénibles depuis 5 ou 6 ans. Maintenant les progrès sont de plus en plus rapides en partie parce que les membres des comités scolaires peuvent se regrouper lors de conférences provinciales et depuis 2 ans, lors de conférences nationales. Il semble que cela ait donné un nouvel élan au comité qui détermine les programmes scolaires.

Un autre aspect qui a beaucoup aidé fut les subventions allouées aux Indiens qui furent remises aux collectivités indiennes pour qu'elles puissent gérer certains aspects de nombreux programmes y compris l'éducation.

M. Dinsdale: Vous dites...

M. Marchand (Kamloops-Cariboo): Monsieur le président, puis-je faire un commentaire? L'écart entre les générations n'existe pas seulement chez les Indiens et chez les collectivités indiennes.

M. Dinsdale: C'est ce que j'ai dit. C'est l'effet habituel de la croissance, mais cet effet est maintenant aggravé à cause des problèmes d'éducation chez les Indiens abordés de faoçn différente. Je sais que le même problème s'est présenté avec mon père et que monsieur Marchand a également souffert de cet écart. Je voudrais maintenant poser la question au sujet des comités qui s'occupent d'éducation. Y en a-t-il dans toute les réserves?

M. Davey: Non, l'an dernier il y en avait 163. Cette année, il y en a 180, ce qui indique

[*Texte*]

which indicates the kind of growth that is now taking place. This is out of roughly 600 Indian communities.

Mr. Dinsdale: It is the objective to have an education committee made up of the adults on the reserve so that they can participate in the education program?

Mr. Davey: This is correct.

Mr. Dinsdale: This implies a fairly active adult education program and it would seem to me that in the reserves with which I am familiar this is one of the least active aspects of the Indian education program at the moment. It has moved slowly forward within the Department. It would seem that an active adult education program on the reserves depends on the initiative of voluntary groups within neighbouring communities like women's institutes and film councils and so on who take it upon themselves to move into the reserve and provide educational movies and discussion and things of that nature that

• 1040

are usually connected with adult education programs.

Is there any attempt by Indian Affairs officials to try to motivate voluntary groups in neighbouring communities in this way?

Mr. Davey: Yes, very definitely. The growth in the adult education program reflects this concern and attempt to foster this type of development. During the current year, approximately 10,000 adults have entered into a variety of programs. The one with the largest enrolment is the basic literacy program. It had an enrolment of roughly 3,000 during the current year. Also, there is a variety of other programs which depend upon the interest of the particular community. We do not attempt to build up a staff of adult educators. We try to buy service wherever we can and in some provinces, British Columbia is a good example, where every school district in the province has an adult education program, we buy service from them. We also buy service from the university extension divisions. There have been references to this at previous meetings of the Committee. This is what we are trying to do.

Mr. Dinsdale: You said that you buy services. Have you tried to stimulate the efforts of voluntary groups who work in the adult education program? In the larger communities adult education, to a substantial extent, is

[*Interprétation*]

le progrès qui se produit. Il y en a dans 600 collectivités indiennes.

M. Dinsdale: Désirez-vous avoir un comité de l'éducation composé d'adultes de la réserve qui peuvent participer au programme d'éducation?

M. Davey: C'est juste.

M. Dinsdale: Ceci peut dire qu'il y aura un programme d'éducation pour les adultes assez dynamiques; il me semble que, d'après les réserves que je connais, c'est maintenant l'aspect le moins dynamique des programmes d'éducation pour les Indiens. Le Ministère a agi très lentement. Il me semble que le dynamisme des programmes d'éducation pour les adultes dans les réserves dépend de l'initiative de groupes indépendants des collectivités voisines comme les sociétés féminines, les ciné-club, etc., qui s'occupent de présenter des films éducatifs, d'organiser des groupes de discussion et toutes sortes d'autres projets qui touchent les programmes d'éducation des adultes.

Le ministère des Affaires Indiennes essaie-t-il d'influencer les groupes volontaires des collectivités voisines à agir de cette façon?

M. Davey: Oui, certainement. L'expansion des programmes d'éducation pour adultes reflète cette attitude et ces tentatives pour favoriser ce type de développement. Cette année, il y a environ dix milles adultes qui se sont inscrits pour suivre les cours d'un grand nombre de programmes. Le programme qui compte le plus d'inscriptions est celui de l'alphabétisation, environ 3,000 personnes se sont inscrites; ensuite il y a toute une série de programmes qui reflètent les intérêts particuliers de chaque groupe. Nous n'essayons pas d'établir un corps d'enseignants pour adultes, nous essayons d'acheter des services partout où nous pouvons les trouver. Dans certaines provinces, la Colombie-Britannique par exemple, tous les districts de la province comptent un programme d'éducation des adultes, nous achetons donc les services de ces districts scolaires, nous achetons aussi les services du Service d'extension de l'université de Colombie-Britannique, on en a déjà parlé à d'autres réunions. C'est ce que nous essayons de faire.

M. Dinsdale: Vous dites que vous achetez des services, avez-vous essayé de stimuler les efforts des groupes de volontaires qui travaillent dans le domaine de l'éducation des adultes? Car l'éducation des adultes en grande

[*Text*]

carried on on a voluntary basis. Is there any contact with the women's institutes?

Mr. Davey: Yes, there certainly is.

Mr. Dinsdale: What sort of contact would you have which encourages them to get involved with women's groups or helps them to organize branches of the WI on reserves?

Mr. Davey: The Department has an extensive homemaker's club program which is based on the women's institute movement. When this was originally conceived and developed there was a very, very close association with the women's institutes from across Canada. I have not figures with me today because it does not fall within the education branch responsibility.

Mr. Dinsdale: Do you mean that this is not a part of the adult education program?

Mr. Davey: It is not administered by the education branch. It falls in the community programs' branch, but it is an adult education project. There is no doubt about that.

Mr. Dinsdale: Could you tell the Committee, Mr. Davey, whether or not any of the Indian women have moved into the women's institute movement in an executive capacity? Are they becoming involved in the whole process at this stage, or is it too early to see this kind of development?

Mr. Davey: I really do not know. I am not familiar enough with the program to comment on that. On Friday, reference was made to the program which is being directed at our request by the university extension department of the University of Saskatchewan. In it Indian women were brought in and trained and were then sent back to the reserve to give training in a form of homemaking, or home economics of a very practical nature.

Mr. Simpson: May I add that the women's institute moved into the Mackenzie area in the past few years, and are having considerable success there. We have maintained liaison with them through our adult education worker, one of the officers was designated to liaise with the women's institute, and he has met with them and helped them in their planning. I think we can say that Indian women are taking an active role in the local executive positions in the local branches.

[*Interpretation*]

partie se fait sur une base volontaire. Avez-vous établi des relations avez les groupes féminins?

M. Davey: Oui, bien sûr.

M. Dinsdale: Quel genre de contacts avez-vous établis pour les encourager à établir des relations avec les groupes féminins ou les aider à organiser des divisions du Women's Institute dans les réserves?

M. Davey: Le ministère a établi un programme pour les femmes du foyer, une sorte de club de femmes copié sur celui des instituts féminins. Lorsque le programme a été mis sur pied, il existait des liens étroits avec l'institut des femmes dans tout le Canada. Je n'ai pas plus de détails à vous donner aujourd'hui car cela ne relève pas directement de l'autorité des services d'éducation.

M. Dinsdale: Voulez-vous dire que cela ne fait pas partie du programme d'éducation des adultes?

M. Davey: Non, car ce programme n'est pas administré par cette direction. Cela relève des programmes de la direction des programmes communautaires. Mais, en fait, c'est un projet d'éducation des adultes. Il n'y a aucun doute là-dessus.

M. Dinsdale: Alors, monsieur Davey, pourriez-vous nous dire si les femmes indiennes s'intéressent vraiment au mouvement de l'institut des femmes, participent pleinement à ses activités en dirigent le mouvement ou est-il encore trop tôt pour cela?

M. Davey: Je ne sais pas vraiment, je ne suis pas assez au courant du programme pour faire des commentaires là-dessus. Vendredi, on a discuté du programme qui est dirigé à notre demande par le département d'extension de l'université de la Saskatchewan. Les femmes indiennes ont été accueillies et formées. De retour dans leur réserve, elles peuvent y enseigner les sciences ménagères ou économiques.

M. Simpson: Le mouvement des femmes a de plus en plus d'influence dans la région du MacKenzie et remporte un succès considérable. Nous avons gardé des relations par la personne qui s'occupe de l'éducation des adultes. L'un des agents a été nommé pour s'occuper de ces rapports avec les groupes féminins pour les aider dans la planification de leurs projets. Je crois que nous pouvons dire que les femmes indiennes participent activement à la direction de ces projets dans les divisions locales.

[*Texte*]

• 1045

Mr. Marchand (Kamloops-Cariboo): May I supplement an answer here? I do not know the situation across the country but I know that in my home area, Kamloops in particular, a lot of the local Indian women are participating in many of the clubs. They are really getting things organized. Their own homemaker's club is operating excellently and they put on many, many functions. They are really doing an excellent job, but they are not isolating themselves. They are participating in many community functions, and are taking an interest in hospital auxiliaries and so on. They are in an executive capacity. I know that some of the ladies are directors on the various executives of some of these organizations. Some of the people from the Kamloops reserve are in executive capacities in the Liberal Party as well.

Mr. Dinsdale: I think that what Mr. Marchand has said is the desirable approach to the process of attrition, which is occurring to the Department of Indian Affairs at the present time. I am sure that what he has outlined for Kamloops is a desirable...

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, these are local functions. The people are doing these things themselves. People must do things for themselves as well, as being helped by others.

Mr. Dinsdale: This is precisely the point I am making, Mr. Chairman.

Mr. Marchand (Kamloops-Cariboo): The other day I made the comment that I do not want to see Indian Affairs mother-hen the Indians. We are individuals as well. We are quite capable of making individual decisions. The more the Department evolves in this manner and diverts itself of a lot of its authority and allows individuals to participate in the normal political processes at the local, provincial and national levels the better-off we will be as people. We must participate in the world as well as in small groups. We cannot perpetuate this idea of paternalism which gives all these special services for Indian people.

Mr. Dinsdale: This is precisely the point I am making. It followed from the point that Mr. O'Connell was making, that the Department of Indian Affairs should continue to thrust into this field. We seem to be on the horns of a dilemma here. I am pursuing this line of questioning to point out that we want the Indian people themselves to handle their own affairs. This is what we are trying to get out of the questioning here this morning. As I

[*Interprétation*]

M. Marchand (Kamloops-Cariboo): Question supplémentaire, je ne connais pas la situation dans toutes les parties du pays. mais je sais que, dans ma circonscription, nombre de femmes indiennes participent aux diverses activités des clubs. Elles sont bien organisées le Club des ménagèrs fonctionne très bien. Elles travaillent vraiment beaucoup, et font un travail excellent. Il n'y a pas d'isolement; elles participent à de nombreuses activités communautaires, et s'intéressent aux travail des auxiliaires des hôpitaux. Je connais aussi quelques unes de ces dames qui sont directrices dans divers services de ces organismes, et quelques unes de la réserve de Kamloops occupent des postes de directrice dans les rangs du Parti libéral.

M. Dinsdale: Je crois que Monsieur Marchand a dit que c'est l'approche souhaitable pour le processus d'attention, qui se produit au ministère des Affaires indiennes en ce moment. Je suis persuadé que ce fait à Kamloops est particulièrement souhaitable.

M. Marchand (Kamloops-Cariboo): Monsieur le président il s'agit ici d'activités locales, que les gens entreprennent eux-mêmes. Ses gens doivent agir eux-mêmes tout en étant aidés.

M. Dinsdale: C'est précisément ce que je veux dire.

M. Marchand: L'autre jour, j'ai dit que je ne voulais pas que le ministère des Affaires indiennes surveille les Indiens comme le ferait une mère poule. Nous sommes des êtres humains et nous sommes capables de prendre des décisions personnelles. Plus le ministère évoluera dans ce sens, plus le ministère permettra aux individus de participer au processus politique normal, au niveau local, provincial et national, mieux cela vaudra pour nous. Nous devons participer aux affaires du monde et aux activités de groupes plus petits. Nous ne pouvons prolonger éternellement ce paternalisme qui accorde aux Indiens ces services particuliers.

M. Dinsdale: C'est exactement ce que je disais et cela fait suite à ce que monsieur O'Connell disait, si le ministère des affaires indiennes devrait continuer à s'occuper de ce domaine. Il semble qu'il existe un dilemme ici. Nous voulons que les Indiens s'occupent de leurs propres affaires, et c'est ce que nous essayons de dire ce matin, quant à l'opinion de monsieur Marchand, lorsqu'il dit que tout marche très bien à Kamloops, et que tout

[*Text*]

was saying, with respect to Mr. Marchand's comments, he has pointed out that this is going on very nicely in Kamloops and I can assure him it is going on very nicely in other parts of the country as well. I do not subscribe to the viewpoint, and successive parliamentary committees since 1951 have taken this same position, that there will be a withering away of the Indian Affairs Department inasmuch as the Indians themselves accept responsibility.

I am just going to ask this further question. Mr. Davey has mentioned that the University of Saskatchewan has moved into extension work amongst the Indian populace of Saskatchewan. Are there other universities involved? Is it the intention of the Department to have universities in each of the provinces doing special work in this field or is this really an experimental program at the Saskatchewan University? I think Father Renaud is involved in this.

Mr. Battle: The University of Alberta's extension department has been providing this type of service for a number of years now. The University of British Columbia has been involved, aside from research, primarily in the leadership training field. This has been an active program. St. Francis Xavier University has been active in this area for seven or eight years and has been under contract to this Department in the Canadian development field. This reaches out into the various communities, and tries to get Indian people more and more involved, as Mr. Marchand has said, in solving their own problems.

• 1050

Mr. Dinsdale: Is the University of Manitoba in this field?

Mr. Davey: Yes, the University of Manitoba has just recently come into it, particularly in connection with the training of what we call teacher aides. These are the assistants to the teachers who have kindergarten classes. The teacher and the teacher aide are trained together in a special program which the University of Manitoba has put on at our request.

The other area in which we have been able to get the co-operation of the University of Manitoba is in the running of an orientation program for teachers. This was undertaken at our initiative but the frontier school districts of Manitoba have become involved in this as well.

Mr. Dinsdale: If a university like Brandon University wanted to get involved in a program of this kind it would communicate

[*Interpretation*]

marche très bien dans d'autres parties du pays aussi, je ne suis pas d'accord. Et ce les comités parlementaires qui se sont succédés depuis 1951 sont d'avis que le ministère des Affaires indiennes aura de moins en moins d'influence au fur et à mesure que les Indiens prendront eux-mêmes leurs responsabilités.

Je voudrais poser une autre question, monsieur Davey a indiqué que l'Université de Saskatchewan a établi des programmes de cours d'extension pour les Indiens de la Saskatchewan. Y a-t-il d'autres universités qui s'y intéressent? Le ministère a-t-il l'intention de demander à une université par province de travailler en ce sens? Ou s'agit-il seulement d'un programme à titre expérimental de l'université de la Saskatchewan? Je pense que le Père Renault s'en occupe. N'est-ce pas?

M. Battle: Le département de l'extension de l'université d'Alberta fournit ce genre de services depuis un certain nombre d'années. L'université de la Colombie-Britannique, en plus des recherches, s'occupe de la formation de chefs de groupes. L'université St. François Xavier s'y intéresse depuis sept ou huit ans, et travaille en accord avec le ministère, pour le développement communautaire du Canada. Ils essaient d'atteindre tous les groupes et les Indiens en particulier, afin, comme Monsieur Marchand le dit, que ceux-ci s'intéressent activement à résoudre leurs propres problèmes.

M. Dinsdale: Que fait l'Université du Manitoba dans ce domaine?

M. Davey: L'Université du Manitoba participe, depuis quelques temps, aux programmes de formation de professeurs auxiliaires. Ces derniers aident les professeurs qui enseignent dans des jardins d'enfants. Alors, les enseignants et leurs aides sont formés ensemble et suivent un programme que l'Université du Manitoba a mis sur pied, à notre demande.

L'autre domaine dans lequel nous avons réussi à obtenir la coopération de l'Université du Manitoba, est la mise sur pied d'un programme d'orientation pour les enseignants. Cela a été fait grâce à l'initiative du ministère, mais les écoles du Nord du Manitoba y sont aussi concernées.

M. Dinsdale: Il me semble que si l'Université de Brandon voulait avoir un programme de ce genre elle s'adresserait au ministère des

[*Texte*]

with Indian Affairs and present a program, I suppose?

Mr. Battle: Provided we can get the financial resources, Mr. Chairman.

Mr. Dinsdale: I have one final question. With respect to the role of Friendship Centres which have been discussed several times during the Committee hearings where a lot of the students attending schools in the larger urban communities find their social activity, does the educational branch of the Department of Indian Affairs have any particular interest in the program of the Friendship Centres and in how the social aspects of the educational progress in the urban communities might be co-ordinated?

Just, perhaps, as further background I might say the Friendship Centres are operated with funds from the Citizenship Branch of the Secretary of State Department, although there is a very close and intimate relationship with the general problem of urbanization of Indian citizens. What is the attitude towards the Friendship Centre functions?

Mr. Davey: The education branch supports the idea, and although we do not have a financial input into these units there is very close liaison in practically every case between the Friendship Centre and the education branch people at the field level.

The nature of the program and the success of the program of the Friendship Centres, of course, varies greatly from centre to centre but, generally speaking, they are an asset which deserves our support.

The Chairman: Mr. Dinsdale, we have two questions...

Mr. Dinsdale: All right.

The Chairman: ...one from Mr. Borrie and one from Mr. Orange.

Mr. Borrie: My question is on procedure for preparation of the report, Mr. Chairman, so if you would like to let Mr. Orange go ahead, I will wait.

Mr. Orange: Mr. Chairman, I wonder if we could have an idea of what the future relationship will be between the federal educational authorities and the territorial government educational authorities now with the transfer of functions over to the territorial government in the field of education. What will be your input in terms of curriculum, school planning, construction programs and in every other regard?

[*Interprétation*]

Affaires indiennes et lui présenterait un programme.

M. Battle: Oui, c'est ce qu'il faut faire, à condition que nous pouvions trouver les fonds nécessaires.

M. Dinsdale: Une dernière question. En ce qui concerne le rôle des centres d'accueil dont nous avons parlé à plusieurs reprises aux séances du Comité, et où un grand nombre des étudiants qui fréquentent les écoles des centres urbains vont se divertir, est-ce que la Direction de l'éducation du ministère des Affaires indiennes s'intéresse au programme de ces centres et à la façon dont pourraient se coordonner les aspects sociaux du progrès de l'instruction dans les centres urbains.

Peut-être pourrais-je dire que les centres d'accueil reçoivent des fonds de la Direction d'accueil du Secrétariat d'État, même s'il y a un rapport étroit avec le problème d'urbanisation des Indiens. Quelle est l'attitude vis-à-vis les fonctions du Centre d'accueil.

M. Davey: La Direction de l'éducation est en faveur de cela, et même si nous n'avons pas investi de capitaux, il y a un rapport étroit, dans presque tous les cas, entre les centres d'accueil et la Direction de l'éducation.

La nature du programme et le succès du programme des centres d'accueil varient beaucoup d'un centre à l'autre, mais de façon générale, cela mérite notre appui.

Le président: Monsieur Dinsdale, nous avons deux autres questions.

M. Dinsdale: D'accord.

Le président: Une de M. Borrie et l'autre de M. Orange.

M. Borrie: Ma question concerne la procédure pour la préparation du rapport. Alors, monsieur le président, si vous voulez laisser M. Orange poser sa question, j'attendrai.

M. Orange: Monsieur le président, je me demande si on pourrait nous donner une idée des rapports futurs qui existeront entre la direction fédérale de l'éducation et la direction de l'éducation du gouvernement des territoires avec le transfert des fonctions au gouvernement des territoires, dans le domaine de l'enseignement. Quel sera votre apport dans la préparation des programmes d'études, des programmes de construction des écoles et dans tout autre aspect aussi.

[*Text*]

Mr. Simpson: This transition, of course, is taking place with very close liaison—that work liaison seems to be cropping up a lot—with Mr. Gillie who is the head of the Department of Education, and with other officers in the former Mackenzie District, with officers in the Department. A plan has been evolved for transfer of the functions within the component in the Mackenzie District. This is largely achieved at the moment, except for the transfer of staff and a few residual components that are being finished up in the branch at the moment.

The same type of plan is being carried into effect for the Arctic next year. When the transition has taken place the Department will be in a consultative role. In other words, when the territorial officers or the Commis-

• 1055

sioner wishes assistance we will provide whatever assistance we are in a position to give to them.

As far as capital planning is concerned, there is a long-range capital plan at the moment and this, of course, will be subject to territorial plans and changes that may be necessary because of population shifts. However, as far as school plant is concerned they will come to the Department for approval of actual school plans and they will be built or approved in accordance with the standards that have been set up. They will set their own priorities for building, though, and within the general framework of the devolution they will be able to make this type of decision.

Mr. Orange: Mr. Simpson referred, Mr. Chairman, to the plan that had been set up for the transfer of these functions and I think we could probably spend several meetings having the plan described to us. I just wonder if there was any way this plan could be made available to members of the Committee. I think it would be a very useful thing for us to have. It is a transfer of responsibility from a federal authority to a territorial authority in a fairly complete way and I think it would be useful for us to have an opportunity of looking at this.

Mr. Battle: Subject to the approval of the Minister of Indian Affairs and Northern Development, I would say that we will take it up with him, Mr. Chairman. If he agrees with it, that is fine.

Mr. Orange: Mr. Chairman, are you calling time?

The Chairman: No, I will give you another two or three minutes.

[*Interpretation*]

M. Simpson: Cette transition relie M. Gillie, qui est le chef du ministère de l'Éducation et les fonctionnaires de l'ancienne région du Mackenzie aux fonctionnaires du ministère. Un programme a été mis au point, pour transférer les fonctions à la région du Mackenzie. C'est presque terminé, sauf pour le transfert du personnel et quelques éléments que nous sommes en train de mettre au point, maintenant.

La même chose se fera pour la région de l'Arctique, l'an prochain. Lorsque la transition sera terminée, le ministère jouera un rôle consultatif, en d'autres mots, lorsque le commissaire ou les fonctionnaires des territoires auront besoin d'aide, nous leur accorderons cette aide, dans la mesure du possible. En ce qui concerne les programmes d'investissements, les programmes sont à long terme et dépenderont des plans et des changements qui devront être effectués par les territoires, à cause des mouvements de la population. Mais pour ce qui est de la construction des écoles, les programmes devront être appuyés par le ministère et la construction devra être faite conformément aux normes établies. Ils indiqueront leurs préférences pour la construction et dans la mesure où on leur lèguera des pouvoirs, ils pourront prendre ce genre de décision.

M. Orange: Monsieur le président, monsieur Simpson a parlé du programme établi au sujet du transfert des fonctions et je crois que nous pourrions passer plusieurs séances à décrire ce plan. Je me demande si les membres du Comité ne pourraient pas prendre possession de ce plan. Cela nous serait très utile. Il s'agit d'un transfert de responsabilités, des autorités fédérales aux autorités des territoires et je pense que nous devrions pouvoir l'étudier de près.

M. Battle: Étant donné qu'il faut que le ministre des Affaires indiennes et du Nord canadien soit d'accord, nous en discuterons avec lui. S'il est d'accord, ce sera parfait.

M. Orange: Monsieur le président est-ce que j'ai dépassé la limite du temps permis?

Le président: Non, vous avez encore 2 minutes.

[*Texte*]

Mr. Orange: I have a series of questions here that all seem to be of equal import. One area that does concern me is with regard to the construction of the major school facilities at Frobisher Bay. I do not think there is any doubt that there was an urgent need for the construction of the facilities that have been planned. What I am concerned with, however, is the fact that there seems to be a fair bit of backlash on the part of parents in the eastern Arctic and in the central Arctic with regard to the location of the school. Some people seem to claim that it happened without consultation necessarily with parents. I really have two questions. What consultations were there with the parents of the children involved in the communities outside of Frobisher Bay? Is it the intention to close down the Churchill Vocational School and move the children from Keewatin into Frobisher Bay when this plant is completed?

Mr. Simpson: Your first question, I take it, is in connection with the consultation of parents. There was a consultation with Eskimos representing all of the communities to be served by the Frobisher Bay school. I have seen the Minutes and at that time there were representatives present from those communities which now apparently claim not to have been consulted. As a result of this, to ensure that there has been consultation our regional officers have been instructed to have additional consultations with the people of Igoolik, which is one particular community that I think is referred to. However, at the meeting I referred to earlier there was a representative from Igloolik there at which time they seemed to be satisfied that the school being situated in Frobisher Bay was satisfactory to them. However, people should be consulted fully and as a result we have instructed the field officers to have additional consultations with them.

I think we have run into the same problem with setting up a regional school in the North as we do in the South that each community would like to have the school situated in its particular community and it is not possible, of course. In the North, this problem is accentuated by the distances and it seems along way to go from Pond Inlet to Frobisher Bay.

The Chairman: Mr. Simpson, I am afraid we are going to have to cut you off because the Chairman of the next Committee is waiting for us to conclude. Mr. Borrie?

Mr. Borrie: With respect to the preparation of the report following your recommendations of the last meeting that we submit our own proposals to you by today, I can see where we may run into a problem of getting a

[*Interprétation*]

M. Orange: Monsieur le président, j'ai une série de questions qui me paraissent toutes importantes. Mais il y a un domaine qui m'intéresse particulièrement, à savoir la construction d'une école à Frobisher Bay. Il est évident que la construction d'une école est nécessaire à Frobisher Bay mais il semble que les parents de l'est et du centre de l'Arctique ne sont pas d'accord sur l'emplacement de cette école. Certains semblent dire qu'ils n'ont pas été consultés. J'ai deux questions, en fait, à poser. Y a-t-il eu consultation avec les parents de ces enfants à l'extérieur de Frobisher Bay? A-t-on l'intention de fermer l'école professionnelle de Churchill et d'envoyer les enfants de Keewatin à l'école de Frobisher Bay lorsque l'école sera construite?

M. Simpson: Votre première question se rapporte aux entretiens que nous avons eus avec les parents. On a consulté les Esquimaux représentant les collectivités qui seraient desservies par l'école de Frobisher Bay. J'ai vu le procès-verbal à ce moment-là et il y avait des représentants de ces communautés, qui actuellement disent qu'ils n'ont pas été consultés. A la suite de ce malentendu, pour s'assurer qu'il y avait eu des entretiens, on a chargé nos agents régionaux de consulter de nouveau les gens de Igloolik, collectivité concernée dans cette affaire. A l'assemblée, il y avait un représentant de Igloolik et à ce moment-là, la population semblait satisfaite que l'école soit située à Frobisher Bay. Toutefois il faut consulter la population; nous avons donc demandé à nos agents des services extérieurs de s'entretenir de nouveau avec la population.

Nous avons rencontré les mêmes problèmes, en ce qui concerne l'école régionale du nord. Chacun voudrait que l'école soit située dans leur collectivité, mais ce n'est pas possible.

Dans le Nord, le problème de la distance s'ajoute au problème initial; il semble que la distance soit assez élevée entre Pond Inlet et Frobisher Bay.

Le président: Je regrette, je dois vous interrompre, le président du comité suivant est déjà ici.

M. Borrie: Messieurs, à la suite de vos recommandations de la dernière réunion à l'effet de présenter aujourd'hui nos propositions au sujet de la préparation du rapport, je pense qu'il serait difficile de présenter un

[*Text*]

unanimous report or a majority report to the House by Friday. If Mr. O'Connel's proposition on education were to be put forward in his way of thinking, I certainly could not go along with it and I do not think a good many of the members of the Committee would. I can see some problems arising resulting from a conflict of recommendations and I wondered if there was a possibility of meeting.

The Chairman: Mr. Borrie, I will give you the plan as of now. The steering committee met on May 23 and it was decided by the steering committee that we should have further meetings this month and next month on this subject of education and that we would call various experts from the field to appear before the Committee.

It would appear that the members' questions for the departmental representatives who are here have not been completed this morning. Mr. Orange indicated that he has further questions. I have some questions. Mr. Marchand has some questions. It would seem that we will have the Department back for at least one more day and we would then be calling Mr. Walter Currie of the Indian-Eskimo Association plus a number of others, one of whom you have mentioned, Mr. Borrie. It was the feeling of the steering committee that we should go into education in depth in the next few weeks. Even after the Estimates have been taken away from us we will be operating under the annual report.

On the subject of the Report of the Committee that will be made when the Estimates are returned to the House, we are having a steering committee meeting. I will inform the steering committee members who are present now that the Conservative representative on the steering committee, Mr. Simpson, cannot make it immediately after this meeting. Therefore is it acceptable to the other members of the steering committee who are here to hold a steering committee meeting at 8.30 o'clock this evening in room 112-N?

Mr. St. Pierre: I cannot attend at that time, Mr. Chairman.

The Chairman: Then we will try to work out an acceptable time after this meeting.

Mr. Borrie: Do I take it then, Mr. Chairman, that there will be no recommendations made in this report regarding education of Indians?

The Chairman: I do not think there will be any, Mr. Borrie, but in any event, after the steering committee has met, there will be an in camera meeting of the Committee to con-

[*Interpretation*]

rapport unanime ou majoritaire à la Chambre vendredi. Si la proposition de monsieur O'Connell en matière d'éducation est présentée intacte, je ne serais certainement pas prêt à l'accepter, ni plusieurs députés d'ailleurs. Il y aura conflit de recommandations et je me demandais s'il serait possible de se réunir une autre fois.

Le président: Laissez-moi vous donner le plan établi. Le Comité directeur s'est réuni le 23 mai et il a alors été décidé de tenir d'autres réunions ce mois-ci et le mois prochain sur l'éducation et de convoquer divers experts en la matière pour témoigner au comité.

Il semble que les questions des députés n'ont pas été complétées ce matin. Monsieur Orange a indiqué qu'il avait d'autres questions et j'en ai moi-même. M. Marchand a aussi des questions. Je pense que nous allons demander aux fonctionnaires du Ministère de revenir, ne serait-ce que pour une autre séance et nous demanderons ensuite à M. Walter Carry de l'Association des Indiens et des Esquimaux et un certain nombre d'autres personnes dont vous avez déjà mentionné le nom, monsieur Borrie. Le Comité directeur a pensé étudier la question de l'éducation en profondeur au cours des prochaines semaines, même après l'étude des prévisions budgétaires, nous pourrons travailler au rapport annuel.

En ce qui concerne le rapport du comité, celui-ci sera préparé lorsque les prévisions budgétaires seront présentées à la Chambre. Nous aurons une réunion du comité directeur. J'aimerais informer les membres de ce comité qui sont présents que le député conservateur du Comité, M. Simpson, n'est pas libre après cette réunion. Si les autres députés sont d'accord, nous pourrions tenir cette réunion à 20h30 ce soir dans la salle 112N.

M. St-Pierre: Je ne pourrais pas y assister.

Le président: Enfin nous allons essayer de trouver une heure propice après la réunion.

M. Borrie: Dois-je comprendre qu'il n'y aura pas de recommandations faites dans ce rapport concernant l'éducation des Indiens?

Le président: Non, je ne crois pas, monsieur Borrie, mais après la réunion du comité directeur, il y aura une réunion à huis clos du comité pour étudier le rapport que nous

[*Texte*]

sider the report which we will be sending in with the Estimates of the Department.

Mr. St. Pierre: What is the effective deadline, Mr. Chairman?

The Chairman: The effective deadline has to be Thursday at the very latest for approval of the report by the Committee, because this really does not give any time for translation.

Mr. St. Pierre: It could be as late as Thursday, could it?

The Chairman: It should be tomorrow.

Mr. St. Pierre: Thank you.

The Chairman: The meeting is adjourned.

[*Interprétation*]

enverrons avec les prévisions budgétaires du Ministère.

M. St-Pierre: Quelle est la date limite?

Le président: La recommandation des rapports par le comité est fixée à jeudi au plus tard, parce qu'autrement il n'y aurait pas suffisamment de temps pour la traduction.

M. St-Pierre: Cela pourrait être aussi tard que jeudi, n'est-ce pas?

Le président: Cela pourrait être demain.

M. St-Pierre: Merci.

Le président: La séance est ajournée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

LIBRARY
JUN 23 1969
UNIVERSITY OF TORONTO

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 28

WEDNESDAY, MAY 28, 1969

THURSDAY, MAY 29, 1969

LE MERCREDI 28 MAI 1969

LE JEUDI 29 MAI 1969

Respecting

Indian Affairs and Northern Development Estimates and the Annual Report (1967-68) of the Department of Indian Affairs and Northern Development

Concernant

Prévisions budgétaires des Affaires indiennes et du Nord canadien et le Rapport annuel (1967-1968) du ministère des Affaires indiennes et du Nord canadien

Including

THE THIRD REPORT TO THE HOUSE

Y compris

LE TROISIÈME RAPPORT À LA CHAMBRE

WITNESSES—TÉMOINS

(*See Minutes of Proceedings*)

(*Voir Procès-verbaux*)

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*
Vice-Chairman Mr. Paul St-Pierre *Vice-Président*

and Messrs. et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Gundlock,
Kaplan
Laprise,
Marchand
(*Kamloops-Cariboo*),
Nielsen,
O'Connell,
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson
(*Battleford Kindersley*),
Yewchuc—(20)

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

REPORT TO THE HOUSE

Thursday, May 29, 1969

The Standing Committee on Indian Affairs and Northern Development has the honour to present its

THIRD REPORT

Pursuant to its Order of Reference of Thursday, February 20, 1969, your Committee has considered the following items listed in the Main Estimates 1969-70:

Votes 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 and L90 relating to the Department of Indian Affairs and Northern Development; and

Vote 45 relating to the National Battlefields Commission.

Your Committee commends them to the House.

In the course of its hearings on these Estimates your Committee held numerous meetings to investigate subjects of concern to Members of the Committee. These included housing, education, employment, friendship centres, the operation of art and handicraft businesses, wildlife and conservation, northern transportation, electrical power generation, transmission and distribution in the North and matters concerning Canadian sovereignty in the Arctic.

Your Committee was empowered to adjourn from place to place. At the end of January the Committee visited the Northwest Territories and the Yukon Territory for several reasons.

First, the Committee wished to meet with the two territorial councils.

RAPPORT À LA CHAMBRE

Le jeudi 29 mai 1969.

Le Comité permanent des affaires indiennes et du développement du Nord canadien a l'honneur de présenter son

TROISIÈME RAPPORT

Conformément à l'ordre de renvoi du jeudi 20 février 1969, le Comité a examiné les crédits suivants du budget principal des dépenses de 1969-1970:

Les crédits nos 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 et L90 relatifs au ministère des Affaires indiennes et du Nord canadien, et

Le crédit no 45 relatif à la Commission des champs de bataille nationaux.

Le Comité les recommande à l'approbation de la Chambre.

Les audiences que le Comité a tenues sur ces prévisions budgétaires l'ont amené à se réunir souvent pour enquêter sur des sujets intéressant les membres du Comité. Citons entre autres l'habitation, l'enseignement, l'emploi, les centres sociaux, l'exploitation d'entreprises d'artisanat et de fabrication d'œuvres d'art, la conservation et la faune, les transports dans le Nord, la fabrication, la transmission et la distribution du courant électrique dans le Nord, et la souveraineté du Canada dans l'Arctique.

Le Comité était autorisé à se déplacer. A la fin de janvier, il s'est rendu dans les Territoires du Nord-Ouest et dans le Territoire du Yukon pour diverses raisons.

D'abord, le Comité voulait rencontrer les deux conseils de ce territoire.

Second, to allow the Members of the Committee to view living conditions in the North and more particularly Indian and Eskimo housing conditions during the winter.

Deuxièmement, ces déplacements avaient pour but de permettre aux membres du Comité de constater les conditions de vie qui règnent dans le Nord et tout particulièrement les logements dans lesquels vivent les Indiens et les Esquimaux durant le dur hiver arctique.

Third, the Committee was interested in electric power generation, transmission and distribution in the North.

Troisièmement, le Comité s'intéressait à la question de la fabrication, de la transmission et de la distribution du courant électrique dans le Nord.

Fourth, the Committee was concerned about employment of native people by industries and Government agencies based in the North.

Quatrièmement, le Comité voulait savoir jusqu'à quel point les industries et les organismes gouvernementaux installés dans le Nord canadien emploient la main-d'œuvre indigène.

While in the North your Committee saw evidence of vigorous and healthy economic growth in both territories.

Durant son voyage dans le Nord, le Comité a pu constater une croissance économique vigoureuse et saine dans l'un et l'autre des territoires.

Both territorial councils expressed a desire for more responsibility for the conduct of northern affairs, and urged acceleration of the transferral of authority from Ottawa to Yellowknife and Whitehorse.

Les deux conseils des territoires ont demandé plus d'autonomie pour la gestion des affaires du Nord canadien, et ont demandé que l'on accélère le transfert des pouvoirs d'Ottawa à Yellowknife et à Whitehorse.

In the course of a continuing study of matters concerning development of the northern territories and the affairs of Indian and Eskimo citizens, your Committee wishes to record unanimously the following general observations.

Le Comité voudrait contribuer par les observations générales qui suivent, et qui ont fait l'unanimité des membres, à une étude permanente portant sur les problèmes de mise en valeur des territoires du Nord canadien et sur les affaires des citoyens Indiens et Esquimaux.

JOBS

EMPLOI

The Committee has heard evidence, confirmed by the Department of Indian Affairs and Northern Development, that 40 to 50 percent of the adult male Indian and Eskimo populations of Canada are unemployed for a portion of each year. At each of the Indian and Eskimo communities which the Committee visited during January, Members found a high level of unemployment.

Le Comité a entendu des témoignages, et ces témoignages ont été confirmés par le ministère des Affaires indiennes et du Nord canadien, selon lesquels 40 à 50 p. 100 des Indiens et des Esquimaux adultes du Canada sont en chômage pendant un certain nombre de mois chaque année. Dans chacune des agglomérations indiennes et esquimaudes que le Comité a visitées au cours du mois de janvier, les membres ont observé un taux élevé de chômage.

Factors which the Committee found contributed to unemployment in northern com-

Parmi les facteurs de chômage que le Comité a décelés dans les localités du Nord, citons le

munities included lack of skills needed by employers as well as a lack of appreciation on the part of northern based industries of the public interest in and long term advantages of hiring local residents.

In the Yukon, Committee Members were told that efforts by local officials of the Department of Indian Affairs and Northern Development and the Department of Manpower to encourage employment of residents of the Yukon, Indian and white, in the major mining construction projects underway, were often frustrated by the hiring hall practices of the trade unions representing the construction workers. With hiring halls in cities to the south union members from those cities were being employed and Yukon residents were being by-passed for jobs.

Committee Members who visited Coppermine, N.W.T., were disturbed to find that very few of the local working population had been able to obtain work in the nearby Coppermine River mining camp after the initial claims staking period. Workers were brought in 1,000 and 1,500 miles from the south while a large percentage of the Eskimo community at Coppermine, 40 miles away, was unemployed.

The Committee recognizes and welcomes the significant steps which have been taken recently by the Department of Indian Affairs and Northern Development to attack unemployment among Indian and Eskimo people including the various prevocational and vocational training programs, the off reserve training and technology programs, and the continuing education, adult occupational training and on job training programs.

manque de qualifications par rapport à ce qu'exigent les employeurs, et le fait que les industries établies dans le Nord ne se rendent pas bien comptes des avantages à long terme que comporte l'embauchage des gens du milieu en particulier au point de vue du bien public.

Au Yukon, on a dit aux membres du Comité que les efforts déployés par les hauts fonctionnaires du ministère des Affaires indiennes et du Nord canadien et du ministère de la Main-d'œuvre pour favoriser l'embauchage des habitants du Yukon, Indiens et Blancs, dans les grands projets de mines en voie de réalisation, étaient contrecarrés par les méthodes d'embauchage des syndicats des travailleurs de la construction. Comme ces syndicats ouvrent des bureaux d'embauchage dans les villes du Sud, les syndiqués de ces villes trouvent à s'y embaucher tandis que les habitants du Yukon sont laissés pour compte.

Les membres du Comité qui se sont rendus jusqu'à Coppermine, T.N.-O., ont été fort surpris d'apprendre que très peu de travailleurs locaux avaient réussie à trouver du travail dans l'exploitation minière de la rivière Coppermine, située à proximité, une fois terminée la période de jalonnage des concessions minières. On a importé des travailleurs venant de 1,000 à 1,500 milles plus au sud, tandis qu'un fort pourcentage de la collectivité esquimaude de Coppermine, à 40 milles de là, était en chômage.

Le Comité reconnaît et accueille avec satisfaction les mesures importantes que le ministère des Affaires indiennes et du Nord canadien a prises récemment pour combattre le chômage chez les Indiens et les Esquimaux, y compris divers programmes de formation pré-professionnelle et professionnelle, les programmes de formation technique donnée en dehors de la réserve, et les programmes d'éducation permanente, de formation professionnelle des adultes et de formation donnée sur les lieux de l'emploi.

However, the gravity of the present unemployment situation cannot be overemphasized and unemployment among Canada's Indian and Eskimo peoples shows little sign of diminishing and in fact it is probably increasing.

Cependant, on ne saurait trop souligner la gravité de la situation actuelle en ce qui concerne le chômage. Le chômage ne montre peu de tendance à la baisse chez les Indiens et les Esquimaux du Canada. Il est probable même qu'il augmente.

The Committee is convinced that in addition to expanding existing programs of adult occupational training, on job training and various on reserve and off reserve vocational courses some new impetus must be given to the attack on unemployment.

Le Comité est convaincu qu'en plus d'élargir les programmes actuels de formation professionnelle des adultes et de formation donnée sur les lieux de l'emploi, et les différents cours professionnels donnés sur la réserve et hors de la réserve, il faut amplifier la lutte contre le chômage.

The Committee urges that regional conferences be held, bringing together all the elements capable of solving the unemployment problem. These include representatives of Federal and Provincial Departments and agencies directly concerned, organized labour, industries located in the general areas of high Indian and Eskimo unemployment and of the Indian and Eskimo people.

Le Comité recommande instamment la tenue de conférences régionales qui réuniraient tous les éléments capables de résoudre le problème du chômage. Les conférences réuniraient entre autres des représentants des agences et ministères fédéraux et provinciaux directement intéressés, des représentants des syndicats et des industries implantées dans les régions où le chômage des Indiens et des Esquimaux est élevé, et enfin des représentants des populations indiennes et esquimaudes.

Such conferences would permit:

(a) the establishment of better lines of communication and co-ordination among all the parties involved;

(b) the exchange and sharing of information concerning successful employment programs involving Indian and Eskimo people and northern employers;

(c) underlining the crisis proportions of the Indian and Eskimo unemployment and under-employment problem.

Elles permettraient:

a) d'instaurer de meilleures communications et une meilleure coordination entre toutes les parties intéressées,

b) d'échanger et de partager des renseignements sur certains programmes d'embauchage réalisés avec succès par des employeurs du Nord avec les Indiens et les Esquimaux,

c) de mettre en évidence l'état de crise dans lequel se trouve le chômage chez les Indiens et les Esquimaux et le problème du sous-emploi.

The Committee also urges the Government to exercise more authority in the application of conditions relating to the hiring of northern residents contained in the Northern Minerals Assistance Program. Companies should not benefit from this assistance program unless they

Le Comité invite également le gouvernement à appliquer avec plus de fermeté les clauses du Programme d'assistance aux mines du Nord, en ce qui concerne l'embauchage des habitants du nord du pays. Les compagnies devraient être exclues de ce programme d'aide si elles ne

can demonstrate clearly that they have made special efforts to engage and train available Indian and Eskimo labour.

EDUCATION

Your Committee recognizes the important bearing academic and vocational education has in preparing Indians and Eskimos of all ages for employment. Your Committee plans to continue its investigations into qualities, policies and facilities of educational institutions and to make a report at some future date.

HOUSING

Much Indian Housing is deplorable to a degree scarcely understood by other sectors of the Canadian population. Inadequate housing is both a cause and an effect of depressed economic conditions and frequent apathy and despair on many reserves. The Committee recommends an accelerated Indian and Eskimo housing program.

ARCTIC SOVEREIGNTY

Your Committee heard evidence indicating hat Canadian sovereignty over islands of the Arctic archipelago and to the continental shelf n the Canadian Arctic is well established. Iowever, the extent of sovereignty over waters vithin the archipelago is less certainly defined. 'rompt and positive action by the Government s required to define the extent of Canadian overeignty.

FRIENDSHIP CENTRES

The Committee considers the operation of ndian Friendship Centres to be of major enefit to Indians entering urban life, but onsiders the supply of funds for these activities y the Department of the Secretary of State to e grossly inadequate.

peuvent pas démontrer clairement qu'elles ont fait un effort spécial pour embaucher et former la main-d'œuvre indienne et esquimaude disponible.

ENSEIGNEMENT

Le Comité reconnaît l'importance que revêt l'enseignement général et professionnel lorsqu'il s'agit de préparer les Indiens et les Esquimaux de tous âges à occuper un emploi. Le Comité entend poursuivre son enquête au sujet de la qualité, des méthodes et des installations des institutions d'enseignement et de faire rapport à la Chambre en temps et lieu.

LOGEMENT

Nombre des habitations des Indiens sont dans un état déplorable dont le degré échappe le plus souvent aux autres secteurs de la population canadienne. Des conditions de logement inadéquates sont à la fois cause et effet d'une économie dans la marasme et de l'apathie et du désespoir que l'on retrouve souvent dans nombre de réserves. Le Comité recommande l'institution d'un programme accéléré de construction de logements pour les Indiens et les Esquimaux.

LA SOUVERAINETÉ DANS L'ARCTIQUE

Le Comité a entendu des témoignages qui donnent à croire que la souveraineté du Canada sur les îles de l'archipel arctique et sur le plateau continental de l'Arctique est bien établie. Toutefois, la souveraineté sur les eaux de l'archipel est moins fermement établie et exige une action immédiate et précise de la part du gouvernement pour établir l'étendue de la souveraineté du Canada.

CENTRES D'ACCUEIL

Le Comité considère que les centres d'accueil ouverts à l'intention des Indiens constituent un grand avantage pour les Indiens qui accèdent à la vie urbaine, mais il trouve que les crédits que le secrétariat d'État affecte à cette activité sont nettement insuffisants.

HANDICRAFTS

The Committee held two meetings on the subject of native handicrafts and was very impressed with the craft and skill of Canada's native people. The work being done to merchandise the crafts and artistic products of the people north of the sixtieth parallel is progressing satisfactorily. The lack of proper capitalization for Canadian Arctic Producers Ltd. is, however, seriously handicapping that company in its efforts to take advantage of the current market potential. The Government should undertake to remedy this as soon as possible.

The situation with regards to handicrafts in the rest of Canada is less satisfactory. Problems of quality control, distribution and merchandizing are major and it is your Committee's view that steps should be taken to eliminate these problems. A well managed handicraft program would increase the returns to the Indian peoples of Canada.

ARTISANAT

Le Comité a consacré deux séances à l'artisanat indigène et a été très impressionné par l'adresse et l'habileté de la population indigène du Canada. Les efforts qui se font pour mettre sur le marché les produits d'art et d'artisanat de la population habitant au nord du soixantième parallèle progressent de façon satisfaisante. Cependant, la pénurie de capitaux à laquelle fait face la *Canadian Arctic Producers Ltd.* gêne grandement les efforts que fait cette société pour profiter des possibilités actuelles du marché. Le gouvernement devrait s'occuper de résoudre ce problème le plus tôt possible.

La situation est moins satisfaisante en ce qui concerne les œuvres d'artisanat produites dans le reste du pays. Il se pose des problèmes majeurs en ce qui concerne le contrôle de la qualité, la distribution et la commercialisation, et le Comité est d'avis qu'on devrait prendre des mesures propres à résoudre ces problèmes. Un programme d'artisanat bien administré accroîtrait les bénéfices que les Indiens du Canada retirent de cette activité.

ELECTRIC POWER IN THE NORTH

Your Committee received evidence of unsatisfactory electrical service in many parts of the North. Some small isolated settlements are saddled with extremely high rates, due to a rigid policy, fixed by law, which obliges each generation unit of the Northern Canada Power Commission to be self-sustaining.

In the Yukon there was evidence of an unusual lack of contact between the publicly owned Northern Canada Power Commission and the privately owned Yukon Electric Company.

Conflicting evidence was heard as to the relative efficiency of the two systems in regard to provision of service at economic rates. The Committee feels a much clearer definition of

ÉLECTRICITÉ DANS LE NORD

Le Comité a entendu des témoignages selon lesquels les services d'électricité sont insatisfaisants dans nombre de localités du Nord. Des petites localités isolées ont des taux extrêmement élevés à cause d'une politique rigide, imposée par la loi, qui oblige chaque centrale électrique de la Commission d'énergie du Nord canadien à faire ses frais.

Au Yukon, on a observé une absence inhabituelle de rapports entre la Commission d'énergie du Nord canadien, une société de l'État, et la *Yukon Electric Company,* une société privée.

Le Comité a entendu des thèse opposées sur l'efficacité relative des deux régimes, en ce qui concerne la fourniture d'un service à taux économique. Le Comité est d'avis qu'une défi-

the roles of private and public power authorities is urgently required.

DAWSON CITY

The Committee was impressed with the tourist potential of Dawson City. The restoration work already completed or underway is well done. Your Committee urges continuation of the development of historic Dawson City as a complex of National historic importance.

A copy of the relevant Minutes of Proceedings and Evidence (*Issues Nos. 12 to 18, 22, and 23 to 28*) is tabled.

Respectfully submitted,

nition plus nette du rôle respectif d'une société privée et d'une société publique d'électricité s'impose d'urgence.

DAWSON CITY

Le Comité a été impressionné par les possibilités touristiques qu'offre la ville de Dawson. Les travaux de restauration en marche ou terminés sont bien faits. Le Comité recommande que l'on poursuive l'aménagement du secteur historique de Dawson City et qu'on le considère comme un ensemble d'une importance historique nationale.

Un exemplaire des procès-verbaux et témoignages s'y rapportant (*fascicules nos 12 à 18, 22, et 23 à 28*) est déposé.

Respectueusement soumis,

Le président,
IAN WATSON,
Chairman.

[*Text*]

MINUTES OF PROCEEDINGS

Wednesday, May 28, 1969.
(29)

The Standing Committee on Indian Affairs and Northern Development met *in camera,* this day at 3.30 p.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Deakon, Dinsdale, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, St. Pierre, Watson—(12).

Agreed,—That Mr. Walter Currie be asked to appear at the meeting of Thursday, May 29, 1969 and that the officials from the Department scheduled to appear be asked to appear at later meeting.

A Draft Third Report to the House was circulated and Mr. Borrie moved that it be adopted.

Discussion followed and the Draft Third Report was amended in several regards and later was

Agreed,—That the Third Report as amended be adopted.

Ordered,—That the Chairman report the Third Report to the House.

Ordered,—That the Committee dispose of the Estimates of the Department of Indian Affairs and Northern Development and of the National Battlefields Commission for the fiscal year 1969-70 at the meeting of Thursday, May 29, 1969.

Agreed,—That the Committee visit the Arctic to inspect the Pan Arctic operation during the month of July and that the Chairman prepare an itinerary in consultation with the members of the Subcommittee on Agenda and Procedure.

[*Traduction*]

PROCÈS-VERBAL

Le mercredi 28 mai 1969.
(29)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit cet après-midi à 3 h. 30, *à huis clos,* sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Cullen, Deakon, Dinsdale, Kaplan, Marchand (*Kamloops-Cariboo*), Nielsen, O'Connell, Simpson, St. Pierre, Watson—(12).

Il est décidé—Que l'on demande à M. Walter Currie de comparaître à la séance du jeudi 29 mai 1969, et que l'on demande aux représentants du ministère convoqués pour ce jour-là de comparaître à une séance ultérieure.

On fait circuler un projet de Troisième rapport à la Chambre, et M. Borrie en propose l'adoption.

Un débat s'ensuit et l'on apporte au projet de Troisième rapport diverses modifications, puis

Il est décidé—Que le Troisième rapport sous sa forme modifiée soit adopté.

Il est ordonné—Que le président fasse rapport à la Chambre du Troisième rapport.

Il est ordonné—Que le Comité termine son étude des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien et de la Commission des champs de bataille nationaux pour l'année financière 1969-1970 à la séance du jeudi 29 mai 1969.

Il est décidé—Que le Comité se rende dans l'Arctique au cours du mois de juillet pour y inspecter l'exploitation de la *Pan Arctic,* et que le président prépare un itinéraire, de concert avec les membres du sous-comité du programme et de la procédure.

At 6:15 p.m. on motion of Mr. St. Pierre the Committee adjourned to Thursday, May 29, 1969.

A 6 h. 15 de l'après-midi, sur la proposition de M. St. Pierre, le Comité s'ajourne jusqu'au jeudi 29 mai 1969.

Thursday, May 29, 1969.
(30)

Le jeudi 29 mai 1969
(30)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:15 a.m. The Chairman, Mr. Watson, presided.

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 15, sous la présidence de M. Watson.

Members present: Messrs. Borrie, Cullen, Deakon, Dinsdale, Kaplan, Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St. Pierre, Watson–(12).

Présents: MM. Borrie, Cullen, Deakon, Dinsdale, Kaplan, Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Simpson, Southam, St Pierre, Watson–(12).

Witness: From the Indian-Eskimo Association of Canada: Mr. Walter Currie, President.

Témoin: De l'Association des Indiens et des Esquimaux du Canada: M. Walter Currie, président.

The Committee continued consideration of Item 5–Administration, Social program–of the estimates of the Department of Indian Affairs and Northern Development for the fiscal year 1969-70.

Le Comité poursuit son examen du crédit 5–Administration, Programme social–des prévisions budgétaires du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1969-1970.

The Chairman introduced the witness. Mr. Currie addressed the Committee and then was questioned.

Le président présente le témoin. M. Currie prononce une allocution devant le Comité, puis répond à des questions.

During questions the witness tabled two documents entitled *Background Information to Accompany Brief to the Minister of Education of the Province of Ontario* and *Brief to Minister of Education of the Province of Ontario* prepared by the Committee for the Course for the Teachers of Indian Children.

Au cours de l'interrogatoire, le témoin présente deux documents intitulés respectivement *Renseignements généraux à annexer au Mémoire à l'intention du ministre de l'Éducation de la province de l'Ontario* et *Mémoire à l'intention du ministre de l'Éducation de la province de l'Ontario,* et préparés par le Comité du cours destiné aux enseignants d'enfants indiens.

Agreed,–That the Clerk of the Committee be instructed to make copies of the documents tabled and circulate them to the members of the Committee.

Il est décidé–Que le secrétaire du Comité reçoive ordre de faire photocopier les documents déposés et d'en distribuer des exemplaires aux membres du Comité.

Later, as *ordered* at the meeting of Wednesday, May 28, 1969 the Committee proceeded to dispose of the estimates before it.

Par la suite, comme il avait été *ordonné* à la séance du mercredi 28 mai 1969, le Comité passe à l'examen final des prévisions budgétaires dont il est saisi

Items 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 and L90 relating to the Department of Indian Affairs and Northern Development and item 45 relating to the National Battlefields Commission for the fiscal year 1969-70 were *adopted* on Division.

The Chairman then called the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year 1967-68. Questioning of the witness continued.

The Chairman and members of the Committee thanked the witness.

At 1:15 p.m. on motion of Mr. Southam the Committee adjourned to the call of the Chair.

Les crédits 1, 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 et L90 concernant le ministère des Affaires indiennes et du Nord canadien, et le crédit 45 concernant la Commission des champs de bataille nationaux, pour l'année 1969-1970 sont *adoptés* à la majorité des voix.

Le président met ensuite en délibération le rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1967-1968. L'interrogation du témoin se poursuit.

Le président et les membres du Comité remercient le témoin.

A 1 h. 15 de l'après-midi, sur la proposition de M. Southam, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(Recorded by Electronic Apparatus)

Thursday, May 29, 1969.

● 1115

The Chairman: I call the meeting to order.

We are pleased to have with us this morning Mr. Walter Currie, President of the Indian-Eskimo Association of Canada.

Mr. Currie is the Assistant Superintendent of Supervision in the Ontario Department of Education. He is well qualified to answer questions which members may wish to direct to him on the subject of the education of the Indian people of Canada. I think he has some fairly strong opinions on the subject.

He has had a long experience with the Ontario Department of Education, and we are very fortunate to have him here this morning.

We notified Mr. Currie only a day or so ago. This meeting happened to fit in with another one which Mr. Currie was attending in Ottawa, and we were therefore able to arrange his immediate appearance before the Committee.

He does not have a prepared statement, in consequence, I would therefore ask him perhaps to give us a short resumé of his experience in the educational field.

If you want to get into your criticisms of the present federal Indian Affairs Department approach to education, that is fine, or you may want to wait for questions. I will leave that up to you, Mr. Currie.

Mr. Walter Currie (President of Indian-Eskimo Association of Canada, and Assistant Superintendent of Supervision, Department of Education, Toronto): Thank you. Gentlemen, I am a teacher, and have been a teacher in Kitchener, Ontario and in the Borough of North York. As of this last year I have been with the Department of Education of the Province of Ontario.

My job with the province has a title, and it is a position, but my fundamental job is to review, and to make recommendations on education in isolated communities in Northern Ontario. This also involves education, as the province is involved, where Indian children are concerned.

I act in liaison with several departments, including the federal Department of Indian Affairs, in education, and with provincial departments. I travel fairly

[*Interprétation*]

TÉMOIGNAGES

(Enregistrement électronique)

Le jeudi 29 mai 1969

Le président: Messieurs, à l'ordre!

Nous sommes heureux d'avoir parmi nous ce matin monsieur Walter Currie, président de l'Association des Indiens et des Esquimaux du Canada. Monsieur Currie est le surintendant adjoint de la Surveillance au ministère de l'Éducation de l'Ontario. Il possède toute la compétence voulue pour répondre aux questions que les membres du Comité voudront bien lui adresser sur l'éducation des Indiens au Canada. Je crois qu'il a des idées assez arrêtées sur le sujet.

Il a eu une longue expérience au ministère de l'Éducation de l'Ontario, ce qui rend sa présence parmi nous encore plus précieuse.

Nous avons avisé monsieur Currie, il y a un jour ou deux et heureusement, cette réunion coïncide avec une autre réunion à laquelle il assistait à Ottawa. Par conséquent, nous avons pu aussitôt organiser sa visite au Comité. Toutefois, il n'a pas préparé de déclaration. Je lui demanderais donc de nous donner un bref aperçu de son expérience dans le domaine de l'éducation. Si vous désirez qu'il formule des critiques sur le système appliqué par le ministère fédéral des Affaires indiennes dans le domaine de l'éducation, très bien, ou vous voudrez peut-être attendre pour questionner. Je vous laisse carte blanche, monsieur Currie.

M. Walter Currie (Président de l'Association des Indiens et des Esquimaux du Canada et surintendant adjoint de la Surveillance au ministère de l'Éducation à Toronto): A titre de professeur, j'ai enseigné à Kitchener (Ont.) et dans la circonscription de North York. Jusqu'à l'an dernier, j'ai travaillé au sein du ministère de l'Éducation de l'Ontario. Mon travail avait un titre, mais c'est une position. Il s'agissait d'examiner et de présenter des conclusions en matière d'éducation, pour les collectivités isolées du Nord de l'Ontario. Cela avait trait à l'éducation des enfants indiens.

Je suis l'agent de liaison entre plusieurs ministères y compris le ministère fédéral des Affaires indiennes en matière d'éducation et les ministères provinciaux. J'ai

[*Text*]

extensively across the province, meeting people, talking with people, talking with kids, and looking at the situation in preparation for the recommendations which I am asked to submit.

Quite often I am asked to speak across the province on education as it relates to Indian children. As the Chairman has said, I do not have a prepared statement this morning, but I can give you an hour, or a half-hour, or a six-hour talk on education as it relates to Indian children, at any time of the day.

Any operation, any system, or any program, gentlemen, I think you must agree, is judged by its results, by its products; and we judge it by numbers, by size or quality. I think that is a fairly obvious, acceptable statement. Let us take a look at education as it has been given and is being given to Indian children across this country of ours—Indian children who, some time or other, become grown-ups, become adults.

• 1120

Let us take Ontario as a specific case, because Ontario is the land of opportunity, they tell us, where there are more and more Indian children going to school, where they are more and more Indian children going to integrated schools, and where, in the past 10 years or 9 years, the money spent on education by the Department of Indian Affairs has more than doubled. In round figures, the number of Indian children going to school has risen from 9,000 to 13,000 in nine years.

What is happening? Ontario judges its system, you might say, by the number of graduates from Grade 13. In 1960, there were 15 Treaty Indian students in Grade 13; the next year it became 20, then 22, then 19, then 19; in 1965 it arose to the magnificent total of 31 students; then 14 in 1966, 21 in 1967; and there are now 35 in Grade 13 in the province of Ontario. Is this system a successful one? Gentlemen, I would say quite categorically, no, it is not, and has never been, a successful system of education.

It misses the boat because it does not make education relevant to the child, to his community, to his environment, or to the future which lies ahead of him. Until education does this for Indian children, our Indian people are going to persist in the economic system in which they find themselves, struggling.

One of the simple things wrong about it, and one of the most obvious ones relative to co-education for Indian people, is the fact that it does not involve Indian parents. It is true that we have school committees, but if you examine the records you will find that school committees have been in existence for 15 years. Fifteen years ago they began to have school committees whereby parents were asked to par-

[*Interpretation*]

beaucoup voyagé à travers la province, rencontré beaucoup de gens. Je me suis entretenu avec eux, parlé à des enfants et j'ai examiné la situation dans le but de préparer la recommandation qu'on me demande de présenter.

On me demande très souvent de prendre la parole dans la province au sujet de l'éducation des petits Indiens. Comme le président l'a dit, je n'ai pas préparé d'exposé ce matin, mais je puis vous parler pendant une demi-heure, une heure ou six heures sur l'éducation des Indiens, à n'importe quel moment de la journée. Toute opération, système ou programme, messieurs, doit être jugé par ses résultats, par ses fruits et nous les déterminons en termes de nombres, de dimension ou de quantité, cela me semble assez acceptable. . . . Examinons l'instruction, telle qu'elle a été donnée aux enfants indiens de tout le pays, aux enfants indiens, qui grandissent et deviennent un jour ou l'autre des adultes.

Je prends l'Ontario comme exemple, car l'Ontario c'est la province des occasions, il y a de plus en plus d'enfants indiens qui vont à des écoles intégrées, et ces neuf ou dix dernières années, le ministère des Affaires indiennes a plus que doublé, grosso modo les fonds affectés à l'instruction. Le nombre d'enfants indiens allant à l'école est passé de 9,000 à 13,000 en neuf ans. Que se passe-t-il?

L'Ontario juge son système d'après le nombre de diplômés, en 13e année. En 1960, il y avait 15 étudiants indiens rattachés au traité en 13e année, l'année suivante, 20, puis d'année en année, 22, 19, puis 19. Et en 1965, on a obtenu le chiffre magnifique de 31; en 1966, 14, en 1967, 31 et il y en a maintenant 35. Est-ce que le système est une réussite, messieurs? Je vous dirai carrément non. Ce n'est pas une réussite et ça ne l'a jamais été comme système d'éducation. Il rate le coche, parce qu'il ne fait pas en sorte que l'instruction s'adapte à l'enfant, à son milieu, à sa famille, et à l'avenir qui l'attend. Et tant que l'instruction ne répondra pas à ces besoins de l'enfant indien, les Indiens continueront de croupir dans le marasme économique.

Une des lacunes les plus évidentes du système d'éducation des Indiens, c'est qu'il n'engage pas les parents. Il est vrai que nous avons des comités scolaires; mais si vous consultez les registres, vous constaterez qu'ils n'existent que depuis 15 ans. On a commencé à avoir des comités scolaires où on a demandé aux parents de participer d'une manière ou d'une autre au système éducatif. Jetons un coup

[*Texte*]

ticipate in one way or another in education. Examine a school committee and you will find out what kind of authority and responsibility they have. They cut the grass, paint the fence and clean out the toilets, but they are not involved in education. They are not responsible for the education given to their children. And that, to me, is a democratic right in any community.

Let us be positive. I have here the notes that I kept as Chairman of the Workshop on Education at the National Conference of the Indian-Eskimo Association last September in Toronto. These are the points that the Indian people there raised—the things that they said they wanted to see happen and felt needed to happen if education was going to mean anything to their children and to the Indian people of this country.

The most vital thing, they felt, was that the Indians must be recognized as a people who do exist, who have existed and who are diversified in language, in culture and in where they live. This has not been so in the past. The very name "Indian" says so. Until the systems that serve Indian people recognize the fact that we are different—Ojibway, Cree, Blackfoot, Chilcotin, and so forth—until this is recognized by the educational system then problems are going to continue to exist. After all, what is good for a reserve in Southern Ontario is not necessarily good for a reserve in Northern Ontario, or in the mountains of B.C.

The next point they were most unhappy about, and about which they felt a great deal needed to be done, was the kind of teachers who go to teach in Indian communities. In the past, they have not been the best teachers, and for obvious reasons. You do not get the best teachers unless you can compete economically with dollar bills for the best in the community.

I think it is an accepted fact, and that the Depart-

• 1125

ment of Indian Affairs would be one of the first to agree with it, that in the past they have not been able to compete with municipal organizations, for example, in hiring teachers.

In Ontario we have a northern corps system. We have no trouble getting teachers for our isolated communities. As a matter of fact, our applicants over-subscribe our requirements. In the northern corps we give them a basic wage equivalent to anything in Metropolitan Toronto—$5,200 for a beginning teacher out of Grade 13. This is what we are offering this year. In addition, we give them a $1,000 northern corps allowance. On top of this, we take them in and out of their classroom three times a year, and we pay the expenses. We pay their expenses from their home to the community in which they teach.

[*Interprétation*]

d'œil à ces comités pour voir quelles responsabilités ils ont: couper le gazon, nettoyer les locaux, nettoyer les toilettes; mais les parents ne s'engagent pas dans l'éducation. Ils ne sont pas responsables de l'éducation que reçoivent leurs enfants et ceci, à mon avis c'est un droit fondamental dans toute collectivité.

Mais soyons concrets. J'ai une note que j'ai prise ici, à titre de président d'un atelier de travail, à la Conférence nationale de l'Association des Esquimaux et des Indiens, qui a eu lieu à Toronto, en septembre dernier. C'est ce que les Indiens ont demandé et veulent voir réaliser, pour que le système éducatif corresponde aux besoins des enfants et de la population indienne du pays.

La chose la plus essentielle, selon eux, c'est qu'ils doivent être reconnus comme un peuple qui a existé, qui a une existence, et qui comporte plusieurs langues, plusieurs cultures et qui habite dans plusieurs régions du pays. On n'a pas reconnu cela jusqu'à présent. Le nom même d'«Indien» en est la preuve. Tant que les systèmes qui desservent les Indiens ne reconnaîtront pas que nous comptons plusieurs tribus, les Ojibway, les Cris, les Pieds-Noirs, les Chilcotin, et ainsi de suite, tant que le système éducatif ne reconnaîtra pas cela, il y aura des problèmes. Somme toute, ce qui est bon pour une réserve du Sud de l'Ontario, n'est pas nécessairement bon pour une réserve du Nord de l'Ontario, ou pour une réserve dans les montagnes de la Colombie-Britannique.

Ensuite, une des choses qui les rendait malheureux et qui devrait être corrigée c'est le genre d'instituteurs qui vont enseigner dans une collectivité indienne. Jusqu'à maintenant, ils n'ont pas été des meilleurs et pour des raisons bien évidentes. On n'obtient pas les meilleurs maîtres d'école à moins que les moyens financiers de la collectivité soient les mêmes qu'ailleurs.

C'est un fait reconnu; les fonctionnaires des Affaires indiennes se rendent compte que, jusqu'à maintenant, ils n'ont pas pu faire concurrence aux autorités municipales pour l'embauche des instituteurs. En Ontario, nous avons un système ... qui comprend un corps professoral pour les régions. Nous n'avons aucune difficulté à recruter des enseignants pour les localités isolées. Au contraire, les candidats dépassent le nombre de positions. Dans le corps professoral du Nord, nous leur donnons les salaires de base qui correspondent à ceux des enseignants de l'agglomération torontoise, $5,200 pour un débutant en 13e année, voilà ce que nous offrons cette année. En outre, nous leur octroyons une subvention de $1,000. Puis nous leur payons trois voyages aller-retour chaque année et leurs déplacements de leur famille à la localité où ils enseignent.

[*Text*]

Mr. Cullen: Excuse me, when you say "we" you mean. . . ?

Mr. Currie: The province.

Mr. Cullen: That is, the Department of Education of the province?

Mr. Currie: That is right. We also give these people a one-week orientation course in August. It is very short, but at least they have this one-week orientation course to prepare them for the communities into which they are going. This is one of the other points that the Indian parents are most unhappy with—the preparedness of the teachers who have been, and are being hired for Indian schools—their lack of orientation with the communities to which they are going.

Gentlemen, this applies in any community. In North York, where I was, we always give at least one-week's orientation course to new teachers coming in. At one time it was two weeks, but it has now been cut back to only one. Obviously, teachers going into an Indian community should be aware that, for one thing, they are going to be in the midst of a culture conflict. They are bringing into the community a culture which in many cases has no relativity to the community in which they are going to teach. The teacher must be prepared to understand, and must be made aware of the fact, that he or she must change. It is the teacher who must change an elementary system, not the child. It is the teacher who must serve the child and the community; it is not for the community and the child to serve the teacher.

In relation thereto—and I am pretty sure we are going to do it; I am almost willing to bet my salary on it—a group of us presented to the Department of Education of Ontario last year—and I will turn this over to the Chair—a brief requesting a six-weeks' orientation training program for teachers who will be going into Indian communities and who will be teaching in integrated schools, that is, those schools which receive Indian children. The Department has reviewed the brief and has now placed it upon their list of recommended training programs, and it is in the Treasury Board brief for 1970. We are hopeful that it will be given. It will be open to any qualified teacher to take part.

The Chairman: Do I have the agreement of the members of the Committee to the Clerk's preparing photocopies of this brief and distributing it?

Some hon. Members: Agreed.

Mr. Currie: Let we come to the next point. For the past 15 or 20 years the Department of Indian Affairs and Education has been espousing and exercising a system called integration. The Indian

[*Interpretation*]

M. Cullen: Excusez-moi, mais lorsque vous dites «nous», vous voulez dire . . .?

M. Currie: La province.

M. Cullen: C'est-à-dire le ministère de l'Éducation de la province?

M. Currie: C'est exact. En outre, nous donnons à ces instituteurs, en août, une semaine de cours d'orientation, c'est terriblement court, mais au moins cela les prépare à la collectivité où ils enseigneront. Voici un autre point qui rend les parents indiens très malheureux, c'est le manque d'orientation des enseignants destinés à enseigner à leurs enfants, pour les collectivités où ils vont enseigner.

Messieurs, ce cours s'applique à toutes les collectivités. A North-York, ou j'étais, nous donnons toujours au moins un cours d'orientation d'une semaine à tous les enseignants qui arrivent dans la région. Autrefois, c'était deux semaines, maintenant c'est une semaine. Manifestement, les instituteurs des collectivités indiennes devraient se rendre compte qu'ils seront au milieu d'un conflit culturel. Ils apportent à une collectivité une culture qui, la plupart du temps, n'a aucun sens pour la collectivité où ils enseigneront. L'instituteur doit être prêt, doit se rendre compte que lui ou elle doit changer. C'est l'instituteur qui doit changer, pas les élèves. C'est l'instituteur qui sert l'enfant et non pas l'inverse. Ce n'est pas à la collectivité et à l'enfant de servir l'enseignant.

A ce sujet, et je suis prêt à parier mon traitement, nous allons le faire. Un groupe d'entre nous avons présenté au Ministère de l'instruction publique de l'Ontario, l'année passée, un mémoire demandant un cours, un programme d'orientation de six semaines pour les instituteurs se rendant dans les réserves, et qui enseigneront dans des écoles intégrées. Le Ministère a examiné le mémoire et l'a placé dans la liste des programmes de formation recommandés, et il figure dans le mémoire du Conseil du Trésor pour 1970. J'espère que ce sera réalisable. Et tous les instituteurs compétents pourront y prendre part.

Le président: Est-ce que le Comité est d'accord pour que le greffier prépare des exemplaires de ce mémoire et les distribue?

Des voix: D'accord.

M. Currie: Maintenant, abordons l'autre question. Ces quinze ou vingt dernières années, le Ministère de l'instruction publique a appliqué un système d'intégration. La branche indienne, à cette réunion, et vous

[*Texte*]

parents at this meeting—and you can find this anywhere across the country—were quite unhappy with integration, *per se*, as it now stands, because in their estimation integration is only a one-way street. As one of the fellows from out West said, "The integration system is making Indian children into brown-skinned white men".

A true integration system should be one which presents to the Indian child something that is Indian. There is nothing in the integrated school system that says, "You are an Indian. This is what it means to be an Indian. And this is what it can mean to be an Indian". Everything there is foreign; it is non-Indian. There is no Indian language, no Indian culture, no Indian music and no Indian art. There is nothing in there that says "Indian".

This creates conflict in the mind of a child. It must, because indirectly it says to him, "What you are and from where you come is wrong. This is the right way". Until we brighten up and improve this in systems the Indian child is going to continue ot suffer.

• 1130

The Indian people felt that integration must, and should, become a two-way street in at least the educational program if not in physical movement of children. There must be many communities, especially in the West, where the children off the reserve could go to school on the reserve. Why must Indian children participate in an integrated school system? Why is it better? The only thing I can think of that makes it better is a better school building. It is a better equipped school system. There are better trained teachers. If these are the reasons, then why cannot those same things be offered in a reserve community? The Indian child in a reserve community should receive an equivalent education plus.

The fourth point they were very concerned about was the education of non-Indians about Indians; the education of Indians about Indians, and the education of Indians about non-Indians. They felt this needed to be done in the classroom most extensively. They felt this had to be done most extensively by media, the press at the back of this room. Television and radio had not done, and do not do, a good job of presenting to the Canadian public what an Indian is, what an Indian was, and what an Indian could be.

It almost seems as though history began in 1492 when Columbus arrived and nothing happened before then and nothing has happened since then involving Indian people. There is nothing, unfortunately, in our school systems today which says, "It is good to be an Indian and we, the people of Canada, are proud of those people who were here when the first

[*Interprétation*]

pouvez voir la même chose dans le pays entier, n'aime pas cette intégration, soit telle qu'elle existe actuellement, parce que les Indiens estiment que l'intégration, c'est une voie à sens unique. Comme un Indien de l'Ouest disait, «le système d'intégration fait des enfants indiens des Blancs à la peau brune.»

Une véritable intégration doit présenter à l'enfant indien quelque chose qui est indien, et il n'y a rien dans le régime scolaire intégré qui fait comprendre à l'Indien ce que ça signifie d'être indien; et il n'y a rien de ce qui est présenté qui est indien. Il n'y a aucune langue, aucune musique, aucun art, aucune discipline typiquement indienne.

Ceci engendre des conflits dans l'esprit de l'enfant. Forcément, parce que ceci lui dit, lui fait comprendre indirectement «ce qu'il est et d'où il vient c'est mal; voici ce qu'il est.» Tant que nous appliquerons ce système, les enfants indiens souffriront.

Le peuple indien estime que l'intégration doit s'exercer dans les deux sens, et au moins dans le système éducatif, si ce n'est pas dans le mouvement des enfants. Il doit y avoir des communautés dans l'Ouest où les enfants hors des réserves peuvent aller à l'école dans les réserves.

Pourquoi est-ce qu'un enfant indien doit aller à l'école intégrée? Pourquoi est-ce que c'est mieux? La seule réponse qui me vient à l'esprit c'est que l'école-même est mieux construite et les professeurs sont mieux formés. Si c'est la raison pour laquelle ça doit se passer ainsi, pourquoi est-ce qu'on ne peut pas offrir les mêmes services aux écoles des réserves? L'enfant dans les réserves devrait recevoir une instruction équivalente plus quelque chose.

Et le quatrième point c'est que l'instruction des non-Indiens à propos des Indiens, l'éducation des Indiens sur leur race et l'éducation des Indiens à propos des non-Indiens, et ceci devrait se faire à l'école sur une grande échelle grâce aux moyens de communication c'est-à-dire la télévision, la radio et les journaux ne contribuent pas à présenter à la population, à faire comprendre à la population canadienne ce qu'est l'Indien, ce qu'il peut être, ce qu'il devrait être.

Il semble même que l'histoire ait commencé en 1492 à l'arrivée de Christophe-Colomb, que rien ne s'était passé avant et que tout a commencé à ce moment-là. Il n'y a rien malheureusement dans notre régime scolaire à l'heure actuelle qui fait comprendre que nous Canadiens sommes fiers des Indiens, de ceux qui étaient avant nous, avant que l'homme blanc arrive, et c'est

[*Text*]

white man arrived". This is a shame in a country like this.

Indian people need to be made aware of the non-Indian in Canada because I think in many cases, I do not think, I know in many cases, Indian people do not understand white people, just as white people do not understand Indians. There is a difference in culture and this must be made clear, it must be explained, and it must be understood.

The fifth point they raised, was the use of the Indian language, which ever it might be in that community, in the teaching of children; Cree or Ojibwa or whatever the community might be. They did not ask that this be a total involvement; they asked that it be a partial involvement. Not 15 minutes a day as we teach French in Ontario in grade 6, but a fair percentage of the day must have teaching of those children in their native language.

In Southern Ontario, let us go to Walpole Island, my mother's reserve. Let me introduce you to 400 children, who go to school right now and there is not one of them who speaks Ojibwa. Come with me into the North, a place called Gogama. There are 21 children who go to school in Gogama or rather there are 21 Indian children who go to school in Gogama and there are 33 schoolchildren altogether. Those 21 children come from Mattagami and not one of those children speak Ojibwa. Their parents do, but they do not.

Gentlemen, the only thing the Indian has left to him that is really Indian, aside from the colour of his skin, is his language. We have destroyed his culture you notice I say we, I am a teacher. We have destroyed his religion. We have through overpopulation, pollution, and so forth destroyed his means of survival. The only thing we have left him is his language and the colour of his skin. And, by God, we are damn well getting rid of his language in our school systems right now.

At one time, as you know, the word went out to the teachers that children were to be forbidden to speak their native language in school and on school property or in the residence. Fortunately this has changed, this order has been revoked but the damage has been done.

The last point in this group of points they raised was the existence or the need for schools in the smallest community instead of shipping children outside. Why should a six-year-old child have to go 100, 200 or 300 miles to school? Why should there not

● 1135

be a teacher and a school in that community? The parents were very, very definite about this point.

They will buy integration at a certain grade level, but they do not want it at such an early level. They do not want their children taken away from them.

[*Interpretation*]

une honte dans un pays comme le nôtre. Le peuple indien doit se mettre au courant du monde blanc qui l'entoure au Canada, car la plupart du temps les Indiens ne comprennent pas les Blancs pas plus que les Blancs ne comprennent les Indiens. Il y a une différence culturelle qui doit être expliquée et qui doit être comprise.

Le cinquième point qu'ils ont soulevé, c'est l'usage de la langue indienne pour enseigner aux enfants où qu'ils soient, que la collectivité soit crise ou ojibwa. Ils n'ont pas demandé que ce soit l'emploi total, mais pas 15 minutes comme on enseigne le français en 6e année en Ontario, mais qu'on enseigne à leurs enfants dans leur langue maternelle.

Dans le sud de l'Ontario, par exemple, prenons l'île Walpole, la réserve où demeure ma mère. Permettez-moi de vous présenter 400 enfants, et il n'y en a pas un seul qui parle ojibwa. Accompagnez-moi dans le nord à Gogama, 21 jeunes vont à l'école de Gogama. Il y a 21 Indiens qui vont à l'école à Gogawa et il y a 33 élèves tout compte fait. Ces 21 enfants viennent de Mattagami et pas un seul ne parle ojibwa. Les parents le parlent, mais pas eux.

Messieurs, la seule chose qui reste à l'Indien qui soit vraiment indien à part la couleur de sa peau, c'est sa langue. Nous avons détruit sa culture, (vous remarquerez que j'ai dit «nous», car je suis enseignant), et sa religion. Nous avons par la surpopulation, la pollution, etc., détruit ses moyens d'existence. La seule chose que nous lui avons laissé c'est sa langue et la couleur de sa peau, et pour l'amour du ciel, notre régime scolaire se débarrasse très rapidement de sa langue également.

A un moment donné, on a dit que les instituteurs devaient empêcher les enfants de parler dans leur propre langue à l'école, sur le terrain de l'école ou chez lui. Heureusement cela a changé. On a supprimé ce règlement, mais le dommage a été fait.

Et le dernier point soulevé par le groupe a été l'existence, la nécessité, le besoin d'écoles dans les petites collectivités au lieu d'envoyer les enfants ailleurs. Un enfant de six ans doit parcourir 100, 200, 300 milles maintenant pour aller à l'école, pourquoi est-ce qu'il ne pourrait pas y avoir un instituteur dans sa localité? Les parents ont été catégoriques à ce sujet. Ils acceptent l'intégration à un certain niveau, mais ils ne veulent pas sitôt, ils ne veulent pas que les enfants leur soient enlevés.

[*Texte*]

As a matter of fact, I can introduce you to reserve communities in Northern Ontario that have forbidden their children to be taken outside to grade 9. They have finished grace 8, but they will not let their children go out. I sat in their houses and talked to them last winter, and when I asked about this they said, "we do not like what happens to our children out there. Who are the people who will look after our children, are they good people? We do not like what happens to our children. When they come home they do not talk to us anymore, we cannot communicate". You and I have the problem with children who stay at home. We say we cannot communicate with our children. What about when your children have been away for ten months?

The next major point they raised was the involvement of Indian parents in education as it relates to their children. Unfortunately there has not been any of this and, I think, you would recognize the fact being fathers, that only as you are involved in education and only as you are concerned, are your children involved and concerned. You must set an example for children to get an education. When you are involved you set a fine example, you talk about it, you are concerned about it. Too many of our Indian parents have no reasons nor ideas why their children go to school nor what school is going to do for them nor what it is supposed to do for them. They can tell you all the negative things that it does for them. Yet these parents say, "We want our children to get an education". But, they do not know what they mean when they say it in too many cases.

There is another major point they raised and maybe this is the real key to it, I do not know. If we build a beautiful school, beautifully equipped with electric lights, hot and cold running water, flush toilets, you name it, and we provide an excellently trained teacher to that community, but the children go home every night to over-crowding, to poverty, to a welfare community, to a negative community, then the education is a waste of time, money and energies. We cannot do one thing only. If we are going to build a house for Indian children, we have to build all four walls and put a roof on it and lay a floor. We just cannot do one wall and say, "There, this is what we have done".

The Indian parent must provide for his child an environment which makes sense. At present, the school and the environment of the home are in conflict. If these things were done, and this is what the Indian people are saying, Crees, Ojibwas Delawares, Six Nations People, if these things are done, then education will change. Fundamentally, along with that, they are also saying that education must provide the means for Indian people to regain pride in being an Indian. It has not been doing this, but it must. Until this is done, the Indian people are going to be walking around in confusion.

[*Interprétation*]

En fait, je puis vous présenter une collectivité, une réserve du nord de l'Ontario qui a empêché les enfants de sortir avant leur neuvième année scolaire. Voici la réponse qu'ils vous donnent quand vous leur posez la question, et je me suis assis à côté d'eux dans leur maison: Nous ne savons pas ce qui arrive aux enfants. Qui sont ceux qui s'occupent de nos enfants? Est-ce que ce sont de bonnes gens? Nous n'aimons pas ce qui est arrivé à nos enfants, quand ils reviennent de l'école. On n'a plus rien à leur dire, ils ne nous parlent presque plus. On ne peut plus communiquer avec eux. Et qu'arrive-t-il quand vos enfants sont loin de vous pendant dix mois?

Le prochain point qu'ils ont soulevé, c'est l'intérêt que les parents portent au régime scolaire qui touche leurs enfants. Malheureusement, il n'y a pas eu cette participation et vous reconnaîtrez, vous pères de famille, que c'est certainement dans la mesure où vous participez que votre enfant s'intéresse. Il faut que vous témoignez un intérêt à l'éducation de votre enfant. Vous en parlez. Beaucoup trop d'Indiens, de parents indiens ne savent aucunement pourquoi leurs enfants vont à l'école ou ce qu'ils font à l'école, ou ce que l'école doit leur apporter et leur apporte. Par contre, ils voient les désavantages qui en résultent. La plupart du temps les parents disent: Nous voulons que nos enfants soient instruits, mais ils ne savent pas exactement à quoi ça correspond.

Il y a encore un autre point important qu'ils ont soulevé. Si nous construisons une école magnifique, bien équipée, bien dotée de toutes sortes d'instruments, de lumières électriques, cabinets à eau courante, etc., mais que cet enfant va à la maison tous les soirs, dans une petite hutte surpeuplée, y retrouve la pauvreté des assistés sociaux, une mentalité négative, l'instruction est un gaspillage de temps, d'argent, d'énergie et d'effort. Nous ne pouvons faire qu'une seule chose. Si nous construisons une maison pour les enfants Indiens, il faut construire les quatre murs et le toit, une seule paroi ne suffit pas, un seul mur ne suffit pas.

Les parents indiens doivent donner à l'enfant un milieu qui tienne. Présentement, l'école et le milieu familial entrent en conflit. Si on accomplissait ces choses pour eux, et c'est ce que les Indiens réclament, les Cris, les Ojibwas, les Delawares, le peuple des Six Nations, si l'on faisait cela, l'instruction changerait. Ils disaient aussi que les Indiens veulent retrouver leur fierté d'Indiens. L'instruction n'a pas rempli ce but jusqu'à maintenant, mais il faut qu'elle le remplisse et tant que cela n'est pas fait, les Indiens continueront à se chercher une identité.

[*Text*]

Gentlemen, you represent an opportunity to Indian people. This House of Commons represents an opportunity. What will you do with it?

The Chairman: Thank you very much, Mr. Currie.

I have on my list Mr. Borrie and Mr. Cullen. Mr. Borrie?

Mr. Borrie: Mr. Chairman, my first comments are directed mainly to the Committee members based on the presentation of Mr. Currie. It substantiates the questioning I have been putting to department officials the last couple of sessions we have had regarding the phasing out of the educational facilities in British Columbia, particularly without dialogue with the parents of the students concerned in this.

• 1140

Mr. Currie, you mentioned in your presentation that there is a need to recognize the Ojibway, the Chilcotin, and so on. This would indicate to me a feeling that special educational facilities have to be provided to different tribes or different reservations or different people. Now, this conflicts completely with the integrated system towards which the Department of Indian Affairs is now working. You disagree with the integration. Is that correct?

Mr. Currie: I do not agree with the system as it is now constituted. More and more parents are questioning the value of the integrated system because of the results which are not appearing, or because the results are too negative.

Mr. Borrie: Is it because of the cultural background?

Mr. Currie: It is because of the number of kids who still do not want to go to school and who drop out as soon as they can.

Mr. Borrie: What is the incidence of rate of dropouts in the Province of Ontario? Have you a breakdown with regard to the type of schools which the children are attending, such as provincial, federal or religious schools?

Mr. Currie: Yes. There are about 14,000 treaty kids in Ontario going to school; half of those are in integrated school systems.

Mr. Borrie: We have about 7,000 in our integrated school.

Mr. Currie: The balance are in reserve community schools. The residences are all integrated.

Mr. Borrie: Would you be able to provide the Committee with a breakdown of the dropout figures

[*Interpretation*]

Messieurs, vous tenez en vos mains l'avenir du peuple indien. La Chambre des Communes a une occasion magnifique de voir à leur épanouissement. Que ferez-vous de cette possibilité?

Le président: Merci, monsieur. Monsieur Currie. J'ai sur ma liste les noms de MM. Borrie et Cullen, monsieur Borrie?

M. Borrie: Monsieur le président, tout d'abord je voudrais addresser mes commentaires aux membres du comité. D'après le mémoire de M. Currie qui appuie ce que je dis depuis les deux dernières sessions au sujet du régime scolaire en Colombie-Britannique, en particulier sans avoir demandé leur avis aux parents et aux étudiants.

Monsieur Currie, vous avez dit dans votre mémoire qu'il faut reconnaître les Ojibway, les Chilcotins, etc., et il me semble qu'il faudrait des établissements spéciaux pour les différentes tribus, les différentes réserves ou les différents peuples. Ceci entre en conflit avec le régime intégré que le ministère des Affaires indiennes prévoit en ce moment. Vous n'êtes pas d'accord avec l'intégration. Est-ce exact?

M. Currie: Je ne suis pas d'accord avec le système tel qu'il a été établi et de plus en plus de parents mettent en doute la valeur du régime, parce qu'on ne voit pas de résultat ou que ce sont des résultats négatifs.

M. Borrie: Est-ce à cause de la culture?

M. Currie: Parce qu'il y a encore beaucoup d'enfants qui ne vont pas à l'école et ils la quittent aussitôt que possible.

M. Borrie: Combien y a-t-il d'enfants qui quittent l'école en Ontario, est-ce que vous avez des chiffres sur le genre d'écoles, les écoles fédérales, provinciales, ou confessionnelles?

M. Currie: Oui, environ 14,000 enfants rattachés au traité et la moitié va à des écoles intégrées.

M. Borrie: Nous en avons environ 7,000 dans nos écoles intégrées.

M. Currie: Le reste se trouve dans les écoles communautaires des réserves.

M. Borrie: Les résidences sont toutes intégrées. Est-ce que vous pouvez nous donner les chiffres sur le

[*Texte*]

in the provincial public schools, the religious public schools, and in the segregated schools?

Mr. Currie: No, I cannot. I would have to go to the Department of Indian Affairs to get those figures; the provincial system really does not take this into account, except where finances are involved. As a matter of fact, the figures I used came from the Department of Indian Affairs. This sheet, for example, is a breakdown of the enrolment used at present; it is broken down for the past 12 years. For instance the 35 kids who I mentioned are in Grade 13 right now, numbered 1,500 kids in Grade 1.

Mr. Borrie: I guess the dropout problem is not only affecting the Indian children!

Mr. Currie: Let us be positive: the number of Grade 13 students who are treaty Indian is approximately 3 to 6 per cent of the Grade 1 kids, as opposed to a provincial average in Ontario of 30 per cent plus.

Mr. Borrie: Where are the dropouts going: Are they entering vocational schools?

Mr. Currie: No, they are at home on the reserve; they are in the streets of Toronto and Kenora. They are not in the classroom.

Mr. Borrie: At what grade would you recommend integration?

Mr. Currie: Grade 7 at the earliest.

Mr. Borrie: Also in your presentation you stated that the children should be educated on the reservation.

Mr. Currie: For example, in the northern corps we run a school with 12 kids in it; we pay that teacher a full northern corps salary. I fail to see why—and in the Department I would argue this point as well—we must always measure education in dollars, instead of measuring it in terms of human beings. We always argue about whether it will be too expensive to do it that way. That is the wrong end of the stick. It should be the other way around. If there is one child, then we should be doing what we can for him. We should be supplying a teacher in those communities. For example, the community at Kingfisher, a reserve community, is made up of about 100 people; there are 26 kids in the school. There the Department of Indian Affairs is providing a teacher.

• 1145

Mr. Borrie: Even in the integrated schools or where the Department of Indian Affairs has absolved itself of any responsibility in education in the provinces, do you feel that the Department of Indian Affairs

[*Interprétation*]

nombre d'étudiants qui quittent les écoles, les écoles provinciales, les écoles publiques, les écoles séparées?

M. Currie: Non, il faudrait que je me les procure au ministères des Affaires indiennes, parce que le système provincial n'en tient pas compte, sauf lorsqu'il s'agit des finances. Le chiffre 1 vient du ministère des Affaires indiennes. Cette feuille, par exemple, est une répartition du nombre d'élèves présentement. Les chiffres que je veux vous donner couvrent une période de 12 ans; les 35 enfants dont je vous ai parlé qui sont en 13ième année en ce moment ont commencé parmi 1,500 enfants en première année.

M. Borrie: Je pense que le problème des déchets scolaires ne touche pas seulement les enfants indiens.

M. Currie: Soyons positifs: le nombre d'étudiants de la classe 13 rattachés au traité et, qui quittent l'école est de 3 à 6 p. 100 comparé à une moyenne pour la province de 30 p. 100 et quelque.

M. Borrie: Et où vont ces enfants quand ils quittent l'école? Est-ce qu'ils vont à des écoles d'enseignement professionnel?

M. Currie: Non, ils rentrent dans la réserve, traînent dans la rue à Toronto ou à Kenora. Ils ne sont pas en classe.

M. Borrie: Et à quelle classe pensez-vous qu'il y ait intégration?

M. Currie: En 7e année, au plus tôt.

M. Borrie: Vous dites aussi que les enfants devraient être éduqués sur les réserves.

M. Currie: Par exemple, dans le Nord nous avons une école de 12 enfants et nous payons le salaire normal aux professeurs de ces écoles, je ne vois pas pourquoi nous devons toujours mesurer l'éducation d'après ce que cela coûte plutôt que d'après le nombre de personnes qui sont intéressées. On dit toujours que c'est trop cher, mais ce n'est pas ainsi qu'il faut voir les choses. Nous devrions nous y prendre autrement. S'il y a un enfant, un seul enfant et bien nous devrions faire tout notre possible pour qu'il puisse aller à l'école. Nous devrions envoyer un enseignant dans ces localités. Prenez la communauté de King Fisher, par exemple; c'est un genre de réserve habitée par 100 âmes; il y a 26 enfants à l'école et là, le ministère a fourni un instituteur à ce groupe.

M. Borrie: Même dans les écoles intégrées. Maintenant que le ministère des Affaires indiennes s'est dégagé de toute responsabilité pour l'éducation dans les provinces, est-ce que vous insinuez que ce ministère

[*Text*]

should still oversee the quality and the facilities and all of the ramifications of educating the Indian youth? Do you feel that we should leave this entirely to the responsibility of the provincial educational system or should the federal government still maintain a hand in control?

Mr. Currie: I do not see how any organization or system can relieve itself of a responsibility. In most integrated school systems there is not any awareness and therefore there is little understanding of the needs of these kids. If a system has brought them to a certain point, then how dare this system turn them over to someone else's hands, if they have not done anything to prepare them for these children.

Mr. Marchand (Kamloops-Cariboo): Mr. Chairman, I have a supplementary. Suppose the system then changes? I do not exactly agree with this particular philosophy. I feel that the provincial government should be the one giving education to Indians and that the responsibility should be turned over to individual school boards. This sort of thing is a ideal situation.

I do not disagree that they should have some awareness of the type of education that the Indians need. Looking at the total Indian situation and paying attention to a lot of things that you mention, I certainly do not agree that Indian affairs should be the ones to look after this all of the time. I think it should be broken down into the individual school boards and each provincial government should be responsible for education; they have the best tools to look after education, as well as the best expertise. Within that political climate and framework, I think that the Indians will receive the best services.

Mr. Currie: I do not disagree with this. I am saying that as long as the present system persists that there must be a responsibility accepted by the Department of Indian Affairs for these children when they move into another system.

Mr. Marchand (Kamloops-Cariboo): You do not disagree though that the thing should eventually be phased out and that the provincial governments should take over?

Mr. Currie: Yes and no.

Mr. Marchand (Kamloops-Cariboo): You agree, under certain conditions.

Mr. Currie: Right. The main condition is: What do the Indian people of the community think and feel about it?

Mr. Marchand (Kamloops-Cariboo): Yes, right.

[*Interpretation*]

devrait encore surveiller la qualité et les services et tout ce qui est nécessaire pour l'éducation de la jeunesse indienne? Est-ce que c'est le gouvernement provincial qui devrait s'en occuper ou le gouvernement fédéral qui devrait y mettre la main.

M. Currie: Je ne sais vraiment pas comment un organisme ou un régime peut se dégager de ses responsabilités. Dans la plupart des écoles intégrées, on ne se rend pas compte des besoins de ces enfants. On les comprend donc peu et si un système les a conduit jusqu'à un certain point, comment ose-t-il les confier à quelqu'un d'autre? Il n'a rien fait pour les préparer à accepter ces enfants.

M. Marchand (Kamloops-Cariboo): Monsieur le président, j'ai une autre question. Si on change le système, je ne suis pas tout à fait d'accord avec cette optique. J'estime que le gouvernement provincial devrait surtout s'occuper des enfants indiens, et confier les responsabilités aux conseils scolaires. Ce serait l'idéal. Je conviens qu'on connaisse les besoins en éducation sur les Indiens. En considérant la situation globale des Indiens et à propos de beaucoup de choses que vous mentionnez, je ne suis pas d'accord que le ministère des Affaires indiennes devrait s'occuper de ces questions d'enseignement. Je dis que ce sont les conseils scolaires et les gouvernements provinciaux qui devraient s'en occuper parce qu'ils sont le mieux équipés pour le faire, ils ont la connaissance voulue et dans ce cadre, je crois que les enfants des Indiens recevront la meilleure instruction.

M. Currie: J'en conviens, mais tant que le système actuel existe, eh bien, le ministère des Affaires indiennes devrait prendre en charge ces enfants quand ils relèvent d'un nouveau système.

M. Marchand (Kamloops-Cariboo): Vous n'estimez pas que ce sont les gouvernements provinciaux qui devraient s'en occuper?

M. Currie: Oui et non.

M. Marchand (Kamloops-Cariboo): Dans certaines conditions?

M. Currie: Il faudrait tenir compte ce que pensent les Indiens de ces collectivités.

M. Marchand: Oui.

[*Texte*]

Mr. Currie: Let us face it: if you say the dirty word "province" to some Indian people, they go right up the wall.

Mr. Marchand (Kamloops-Cariboo): You know as well as I that the attitudes of the people are changing. They are no longer looking at the reservations as fortresses or prisons; they are looking at the world and they are looking at Canada. They are participating in Canada and the world. Many individuals are wilfully making decisions in the world and in the country, that are not being dictated by Indian Affairs or anyone else.

Mr. Currie: I agree.

Mr. Marchand (Kamloops-Cariboo): They are participating in local political systems and I think these things as privileges of men in the world, are important. These things are being taken on by Indians.

Mr. Currie: Yet there must never be any changeover of authority, control, and responsibility without first doubly ensuring that the Indian people know what is going on and have agreed to it. They must not be turned over from one bureaucracy to another. There is not one provincial department of education in Canada at present that understands this question or the situation any better than the Department of Indian Affairs.

Mr. Marchand (Kamloops-Cariboo): There must be an educational process to help these people.

Mr. Currie: Right.

Mr. Marchand (Kamloops-Cariboo): I am glad that you are working in the Department, for the provincial government. Some of these things will have to be done.

Mr. Borrie: Yes. I am almost finished, Mr. Chairman. Mr. Currie, I do not know whether or not you agree with me, however, I am not prepared to buy Mr. Marchand's argument that the provinces have the best tools and expertise. They may have in the education of the white-oriented communities, but they certainly do not have it for the Indian communities, do they?

Mr. Currie: I would say that there are more people in the Department of Indian Affairs that should know what the score is; whether they do or not, I do not know. In some individual cases, people with whom I have spoken do understand the situation; however, I do not think there are many such people in the system, unfortunately. Let us take a look at what they are teaching. Is their material relative and relevant to those kids of their communities? If they

[*Interprétation*]

M. Currie: Regardons les choses en face. Si vous prononcez le mot province devant certains Indiens, leur sang ne fait qu'un tour.

M. Marchand (Kamloops-Cariboo): Vous savez aussi bien que moi que l'attitude de ces gens change. Ils ne considèrent plus les réserves comme des forteresses ou des prisons; ils envisagent le monde comme ils envisagent le Canada. Ce sont des décisions qui sont prises par chacun, par chaque individu, mais qui ne sont pas dictées par le ministère des Affaires indiennes ou par d'autres ministères.

M. Currie: Je suis d'accord.

M. Marchand (Kamloops-Cariboo): Ils veulent participer au système politique de chaque endroit et je pense que c'est ceci qui est important, ce qui se passe dans le monde, et ce sont des Indiens qui s'occupent de cette question maintenant.

M. Currie: Et pourtant il faut jamais remettre le contrôle à d'autres sans s'assurer que les Indiens savent ce qui va se passer. Ils sont d'accord, il ne faut pas les passer d'un système à l'autre. Il n'y a aucun ministère de l'éducation au Canada en ce moment qui comprend la situation à fond.

M. Marchand (Kamloops-Cariboo): Il faut un système d'éducation pour aider ces gens.

M. Currie: C'est exact.

M. Marchand (Kamloops-Cariboo): Je suis heureux que vous travailliez au ministère pour le gouvernement provincial—On se doit d'accomplir certaines de ces choses.

M. Borrie: J'ai presque terminé, monsieur le président. J'ignore si vous êtes d'accord avec moi. Toutefois, je ne suis pas prêt à accepter d'emblée l'argument de monsieur Marchand, à savoir que les provinces sont les mieux dotées et qu'elles analysent le mieux la situation. Elles le sont peut-être dans les collectivités blanches, mais certainement pas dans les collectivités indiennes.

M. Currie: Je pense qu'il devrait y avoir beaucoup plus de fonctionnaires lucides aux Affaires indiennes. Dans certains cas, les gens se rendent compte de la situation; malheureusement, je ne crois pas qu'il y en ait beaucoup dans le système. Jettons un coup d'oeil à ce qu'ils enseignent. Est-ce que les matières ont un intérêt quelconque pour ces enfants et leurs collectivités? S'ils étaient de si bons enseignants ils comprendraient la situation. Ils iraient exercer des pressions de

[*Text*]

were such good teachers, if they understand the situation, if they understand Indian people, then they would be pounding on the desks of people like Howard Rodine in Ontario who, in turn would have to come here and pound on Mr. Davie's desk and say that we have to change the system to meet the needs of these kids. Of course, maybe the teachers we turn out in the Ontario educational system are so doggone brainwashed that have not learned to be agitators.

Mr. Borrie: One last question, if I may, Mr. Chairman.

In localities where the parents have become involved in the entire system is the transition of the youth from the reservation into the white-oriented community an easier one?

Mr. Currie: I am not sure I understand what you mean by "where the parents have become involved in".

Mr. Borrie: I think you mentioned that in the last seven years parents have become more involved in directly influencing discussions with the Department of Education or parents associations.

Mr. Currie: The school committees?

Mr. Borrie: And school committees.

Mr. Currie: Yes.

Mr. Borrie: Where these parents have become involved have you found that the children made the transition from the reservation to the school much more easily?

Mr. Currie: Let us take Walpole Island as a case in point, because it has had an integrated school system with the Wallaceburg community for almost 20 years. They are still not getting that many students out of grade 13. There are 400 children going to school there and they should be turning out 35 kids a year into grade 13—and they are not. The Six Nations people who bespeak very proudly of their educational record, do not turn out 35 students in grade 13 and they have a population of approximately 10,000 people—which means, on provincial figures, there should be 2,500 kids going to school. If you take 30 per cent of 2,500, which is a provincial ratio, that means they should have 75 kids a year in grade 13—and they do not.

Mr. Borrie: Are the parents involved in a school committee?

Mr. Currie: This is what I cannot seem to find out. They are having graduation ceremonies this month, but there are only 35 in the whole province.

[*Interpretation*]

gens comme Howard Rodine, en Ontario, qui, à son tour devrait venir ici pour exercer des pressions auprès de M. Davie. On doit changer le système pour répondre aux besoins de ces enfants. Naturellement, les enseignants ontariens se font tellement lessiver le cerveau qu'ils n'ont pas appris à être des agitateurs.

M. Borrie: Une dernière question, monsieur le président. Dans les localités où les parents participent activement au système, le passage de la jeunesse des réserves au milieu blanc se fait-il plus facilement?

M. Currie: Je n'ai pas tout à fait compris ce que vous vouliez dire.

M. Borrie: Je pense que vous avez dit qu'au cours des sept dernières années, les parents se sont intéressés davantage aux discussions qui ont lieu avec les services du ministère de l'Education ou avec les associations de parents.

M. Currie: Les comités scolaires.

M. Borrie: Et les comités scolaires.

M. Currie: Oui.

M. Borrie: Là où les parents se sont engagés, avez-vous constaté que les enfants avaient fait la transition plus facilement de la réserve à l'école?

M. Currie: Prenons le cas de l'île Walpole, parce qu'elle a eu un système d'écoles intégrées avec la communauté de Wallaceburg pendant presque 20 ans. Il n'y a pas beaucoup d'étudiants en 13^{e} année. Il y a 400 enfants qui vont à l'école, et il devrait y avoir 35 étudiants par année en 13^{e} année, et ce n'est pas le cas. Le peuple des Six Nations qui sont très fiers de leur dossier en matière d'éducation, n'ont pas 35 étudiants en 13^{e} année, et, ils ont une population d'environ 10,000 personnes, ce qui veut dire pour la province, qu'il devrait y avoir 2,500 enfants à l'école. Si vous prenez 30 p. 100 de 2,500, qui est une proportion pour la province, il devrait avoir 75 enfants en treizième année.

M. Borrie: Est-ce que les parents s'occupent des comités scolaires?

M. Currie: Je ne le sais pas, je n'arrive pas à le découvrir. A la distribution des diplômes cette année, ils n'y en avait que 35 dans toute la province.

[*Texte*]

Mr. Borrie: The point I was getting at here is that Indian parents are getting involved directly in a school committee.

Mr. Currie: Yes, but . . .

Mr. Borrie: And it is still not working out?

Mr. Currie: . . .the committee is, as they say, a paper tiger.

The Chairman: Gentlemen, I would like to interrupt the testimony for a minute.

Yesterday the Committee met in camera and approved a report for the House. This report is being typed and we hope that the translation will be ready so that the report can be presented to the House tomorrow afternoon.

In the in-camera meeting it was ordered that the Committee would dispose of the Estimates at this meeting. As we still have the Annual Report of the Department of Indian Affairs and Northern Development before us, this will allow us to continue holding meetings on subjects relating to the Department of Indian Affairs, more particularly on the subject of education. As you may or may not know depending on whether or not you were here when I informed the meeting yesterday, the Steering Committee last week decided that we would spend the next few meetings—in fact probably most of the meetings from now until the end of June on the subject of education.

● 1155

Since at the meeting yesterday it was ordered that we dispose of the Estimates at this meeting, I will now ask that Votes 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85, and L90 relating to the Department of Indian Affairs and Northern Development; and Vote 45 relating to the National Battlefields Commission be adopted.

Some hon. Members: On division.

Votes 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85, L90, and 45 agreed to on division.

Mr. Dinsdale: On division, Mr. Chairman, because there were some subjects that we were not able to cover during the period of time allotted to us. Actually, we have to approve of the Estimates in any case because of the time prescriptions under the new rules and, therefore, under those circumstances it must be on division.

Vote 1 agreed to.

The Chairman: I will now call the Annual Report of the Department for the year 1967-68.

[*Interprétation*]

M. Borrie: Ce que je veux savoir c'est si les parents indiens s'occupent du comité, s'intéressent au comité scolaire.

M. Currie: Oui, mais . . .

M. Borrie: Et cela ne marche pas encore?

M. Currie: Le comité est un «tigre sur papier.»

Le président: Messieurs, j'aimerais interrompre le témoignage un instant.

Hier, nous avons siégé à huis clos et approuvé un rapport pour la Chambre. Nous espérons que la traduction sera prête pour que nous puissions présenter ce rapport à la Chambre demain après-midi.

Mais, hier à cette réunion à huis clos, on a convenu que le comité étudierait les crédits. Nous avons encore le rapport annuel du ministère des Affaires indiennes à étudier, donc, nous pourrons continuer de nous réunir sur des sujets se rapportant à l'éducation. Pour ceux d'entre vous qui n'ont pas assisté à la réunion, le comité directeur a décidé la semaine dernière que nous passerions les prochaines réunions, en fait la plupart des réunions jusqu'à la fin du mois de juin à étudier la question de l'éducation.

Depuis la réunion d'hier, nous devons étudier les crédits au cours de cette séance. Sommes-nous d'accord pour que les crédits 5, 10, 20, 25, 30, 33, 34, 35, 40, L40, L45, L50, L55, L60, L65, L70, L75, L80, L85 et L90 se rapportant aux Affaires indiennes et au développement du Nord et le crédit 45 touchant la Commission des champs de bataille nationaux soient adoptés?

M. Dinsdale: Je ne suis pas d'accord à cause des sujets que nous n'avons pas pu examiner pendant le temps à notre disposition. En fait, nous devons adopter, approuver, ces crédits en fonction des délais prescrits. En fait, nous les adopterons qu'en partie.

Le crédit nº 1 est adopté.

Le président: Je mets aux voix maintenant le rapport annuel du ministère pour l'année 1967-1968.

[*Text*]

Would members like the Clerk to circulate additional copies of this annual Report? We will be basing our meetings on the Report for the next few weeks. By the way, pages 80 and 81 of the Report deal with education enrolment and so on.

Mr. St. Pierre: Mr. Chairman, knowing how swamped the Committee Section is with work, it would not be surprising if we fail to get our translation on time. Will the Report nevertheless be entered in the House in one language, if we cannot do it in two tomorrow?

The Chairman: My own view of this, Mr. St. Pierre, is that if it is not possible to get the translation—I think it will be possible—then we will make the Report on the Annual Report an interim one. We will probably have to have an additional meeting. I do not particularly want to submit a Report in one language.

Mr. St. Pierre: Thank you.

The Chairman: The next person who has asked to question the witness is Mr. Cullen.

Mr. Cullen: Thank you, Mr. Chairman. Once again I would like to reiterate your comments. It is always a pleasure to have Mr. Currie here. We follow his travels with considerable interest and also read what we can of his reports in the press.

There is one thing that does disturb me, Mr. Currie, about your comment—we hear all of the bad, and it is not all good—in respect of the school integration system. I am thinking particularly of my own area in Sarnia where this system has been in effect for something in excess of 20 years. One of the graduates of that particular area that got to grade 13 was the present chief. This chief took his education and went back to the reserve. I am not sure what his home conditions were. But as a result of getting that particular education, albeit it is as bad as you make out, he is now the chief of the tribe and one of the leaders of that particular reserve. He is trying to implement as much local autonomy as possible on the reserve and is being very effective. He is quite a spokesman on behalf of the Indian people. I feel that as a graduate of the Sarnia system, this is admirable. However, I would like to see more. How much of a change is practical. You say that they should be taught in the Indian language and that sort of thing. I like a lot of your ideas but, although you

• 1200

say we should not be talking about money, it is money that pays for this. One student at one school and one teacher and one class is hardly practical from a standpoint of providing this facility.

[*Interpretation*]

Est-ce que les députés voudraient que le greffier leur distribue des exemplaires supplémentaires de ce rapport, parce que nos réunions des prochaines semaines seront consacrées à son étude? Les pages 80 et 81 de ce rapport se rapportent à l'instruction, au domaine de l'enseignement, etc.

M. Saint-Pierre: Monsieur le président, il ne serait pas étonnant que nous n'ayons pas la traduction du rapport au moment voulu. Néanmoins, présentons le rapport dans une langue, si nous ne pouvons l'avoir en deux langues demain.

Le président: J'ignore si nous pourrons obtenir la traduction, mais si nous ne l'obtenons pas, nous présenterons le rapport sur le rapport annuel à titre provisoire. Je ne veux pas présenter un rapport seulement dans une langue.

M. Saint-Pierre: Merci.

Le président: M. Cullen a demandé la parole pour poser des questions au témoin.

M. Cullen: Merci, monsieur le président. Une fois de plus je voudrais vous dire combien nous sommes heureux de voir M. Currie parmi nous aujourd'hui. Nous avons suivi le récit de ses voyages avec beaucoup d'intérêt et nous avons lu ce que nous avons pu de ses rapports dans les journaux.

Il y a une chose qui nous a étonné dans votre exposé, monsieur Currie. Nous lisons des tas de critiques au sujet du système intégré; mais je pense à ma région, à Sarnia. Le système intégré existe depuis une vingtaine d'années et l'un des diplômés de la treizième année est l'un des chefs. Il a été à l'école puis il est retourné à la réserve. Grâce à ce bagage de connaissances, il est devenu chef de sa tribu. C'est l'un des chefs de la réserve, il cherche à faire régner la plus grande harmonie possible dans la réserve. C'est le porte-parole attitré et reconnu de son peuple et je crois que Sarnia peut être fière de cette réussite. Je voudrais qu'elle s'étende davantage à d'autres localités. Mais dans quelle mesure le changement est-il pratique? Vous parlez de certaines disciplines qui devraient être enseignées à l'école en langue indienne. Je sais que vous dites que nous ne devrions pas parler d'argent, mais en fait, dans quelle mesure est-ce que c'est possible de créer des classes où la langue indienne ne serait pas la langue officielle?

[*Texte*]

Mr. Currie: First of all, let us take a look at Chief Fred Plain. Let us listen to some of the things he said recently at meetings at which I have been present, when he was most vociferous in condemning a system which failed to teach him or his kids anything about being an Indian. He says the same thing himself. All right, he has a grade 13. So do I. I condemn the integrated system, and so does he, for the very fact that it has failed to recognize this need.

The Indian culture—and there is one—or culture of any kind can only be inherited or learned. The educational system has a responsibility to aid the Indian people to learn what their culture was and what it is. They have failed to do this.

Mr. Cullen: This is the point I am trying to make. Perhaps I am doing it in a poor way, but you hit the word I am looking for, inherited. A culture is inherited. I am wondering how a white teacher, for example, could teach this culture. Is this not really the responsibility of the Indians back on the reserve?

I am thinking of the mosaic aspect of this situation in the area of Sudbury that I grew up in. I went to a public school and there were Canadians there from all walks of life. When the Ukranian people arrived they had long names and they had difficulty with the language. There was nothing there to teach them about their culture, but among themselves the Ukranian people who did not speak English got together and built a hall and taught the history and taught the dress—taught the culture, if you like.

They accepted responsibility for that part of the education they felt was lacking. Perhaps it is not fair to draw an analogy between someone who comes into the country and a person who is native born, but I am also thinking of a French Canadian—I do not like that expression, I prefer "a Canadian who speaks French," who came into that community and into that school whose parents spoke practically no English, it was almost all French, and they established Club Joliette. They taught the culture and the language to the kids and, as a matter of fact, it was probably a stronger unit because the family did not say, "Here is your education. You are going to school and for 13 years we can forget about you". They did not do that. They taught the language, they taught the culture, and they taught the religion because they felt it was lacking in the public school, but they took it upon themselves to do that. Is it not possible for the Indian community to do something comparable to that? I am not talking about people who came from outside the country, I am talking about people who were born in this country and who were Canadians, albeit not as original Canadians as the 1492 Canadians and prior.

Mr. Currie: I think it is possible, but let us also look at the question of why it is not being done. I think one of the basic reasons it is not being done is

[*Interprétation*]

M. Currie: Examinons tout d'abord le cas du Chef Fred Plain, au sujet de ses déclarations récentes, lors de certaines réunions auxquelles j'ai assisté. Il a été très virulent dans ses attaques contre le système, qui à son avis n'a pas enseigné à ses enfants, et à lui, ce que c'était d'être un Indien. Nous avons tous les deux terminé la treizième année. Nous condamnons le système intégré, pour la raison qu'il n'a jamais tenu compte de cette nécessité.

La culture indienne, ou toute autre culture, est héritée ou apprise. Le système éducatif doit aider les Indiens à connaître leur propre culture, à apprendre ce qu'est leur culture. Mais le système intégré n'a pas accompli cette tâche.

M. Cullen: C'est ce que j'ai essayé de dire, peut-être péniblement. Vous dites que la culture s'hérite. Dans quelle mesure un instituteur blanc peut-il enseigner cette culture? N'est-ce pas vraiment aux Indiens dans les réserves de l'enseigner. Je pense à ma région de Sudbury, par exemple, où il y a cet aspect de mosaïque. Je suis allé à l'école publique où il y avait toutes sortes de canadiens. Lorsque les Ukrainiens sont venus, la langue leur posait des difficultés, mais rien dans le système scolaire ne leur enseignait leur culture. Les Ukrainiens, ceux qui ne parlaient pas l'anglais, ont construit un immeuble et ont enseigné à leurs enfants les éléments de leur culture.

Ils ont accepté cette tâche pour combler cette lacune de l'enseignement dans les écoles officielles. Il n'est peut-être pas très juste de comparer, par exemple, les Ukrainiens et les Indiens, mais parlons des Canadiens-français qui sont venus dans cette collectivité, qui y sont venus à l'école. Je préfère l'expression «Canadiens de langue française.» En fait, les parents ne parlaient presque pas d'anglais. Ils ont créé le club Joliette. Ils ont enseigné leur culture et le français aux enfants. C'est probablement une unité beaucoup plus forte, parce que les parents n'ont pas simplement confié leurs enfants au système d'enseignement pour treize ans, sans s'en occuper eux-mêmes. On a enseigné la langue, la culture et la religion aux enfants, car tout cela, à leur avis, manquait à l'école publique. Ce sont eux-mêmes qui ont fait cela. La même chose pourrait peut-être se produire chez les Indiens. Je ne parle pas des gens venant de l'extérieur, je parle des canadiens, des canadiens de naissance.

M. Currie: Je crois que c'est possible, mais pourquoi cela ne s'est-il pas fait jusqu'à présent? L'une des raisons essentielles, c'est qu'on disait aux Indiens que

[*Text*]

because Indian people have been taught that it is wrong, that it is not good to be an Indian. I do not think there is any other answer to it. After all, the missionary told our fathers that their religion and their ways of life were wrong, that they were pagans and had to become Christianized and had to become better living than they were. The movies do nothing to tell us that it is good to be an Indian.

Mr. Cullen: The movies do not tell us much that is good about anything.

Mr. Currie: Yes, but you people have not been losing all the battles, as we have!

Mr. Cullen: I might say that the Indians got back at us when I was up in Churchill. If the Indians were winning a battle or surrounding a tribe the cheers went up because we were outnumbered. There were usually a lot of boos for the white man's victory.

Mr. Currie: I have been challenged on this before when I have spoken. The people say, "Come on, now, Mr. Currie, the Indians are winning the wars and the battles in the movies and on TV". I say, "You are quite right, but have you ever thought how come we are winning now? It is not because we have suddenly become smarter, but because Hoss Cartwright and a few other guys are helping us. It is because the good white guys are now leading the Indians against the bad white guys". The Indian still does not win as an individual. He is still aided by the Great White Father. There is a concept here which has been impregnated into the minds of too many Indian people.

Mr. Cullen: Let us get back to education because I do not feel that movies teach us anything. I am talking about the school system.

● 1205

Mr. Currie: It is a system, an establishment, in which people have been reared and cultured. That is what it means to them. I sat down and talked with about 20 to 40 Indian high school students, in Kenora—it varied while we were there—and out of the 92 kids who were there, six were in the five-year Arts and Science program and the other 86 were in the four-year Arts and Science program, and the majority of those were in the two-year terminal course. They are not that dumb, but this is where they were. We talked about what it is like to be an Indian going to school when you begin to study and learn about being an Indian, and their answer was, "It is embarrassing because we do not know anything. Our parents have not told us because our parents do not know". In the old days the father taught the son, the old men taught the children, they told them the stories, but they do not do that any more. These things are not encouraged and have not been encouraged. The reverse had been encouraged.

[*Interpretation*]

ce n'était pas une bonne chose d'être un Indien, que c'était mal. Il n'y a pas d'autre raison. Somme toute, nos missionnaires ont enseigné aux Indiens que leur façon de vivre était erronée, qu'ils étaient païens, qu'ils devaient s'améliorer et devenir des chrétiens. Le cinéma ne montre pas qu'il est noble d'être Indien.

M. Cullen: Le cinéma ne montre jamais de choses très nobles.

M. Currie: Oui, mais ce sont les Indiens qui ont perdu toutes les batailles.

M. Cullen: Ils ont eu leur revanche quand je suis allé à Churchill. Si les Indiens gagnaient une bataille ou encerclaient les Blancs, tout le monde applaudissait. Si les Blancs gagnaient, c'était les huées.

M. Currie: On m'a souvent dit que c'était l'Indien qui remportait les victoires, à la télévision et au cinéma, et je réponds que c'est parce que les blancs les aident, pas parce que les Indiens sont plus intelligents. Les «bons blancs» aident les Indiens à combattre les «mauvais blancs». L'Indien n'agit jamais de lui-même. On a inculqué ce principe chez trop d'Indiens.

M. Cullen: Revenons à l'instruction. Le cinéma ne nous apprend rien. Je parle du système d'éducation.

M. Currie: C'est un système établi au sein duquel on est élevé. C'est ce que cela représente pour eux. J'ai parlé intimement à des élèves indiens de l'école secondaire; les chiffres varient, mais des 92 élèves à Kenora, 86 suivent le cours d'humanités et de sciences de quatre ans, le suivaient pour cinq ans. De ces 86, la plupart ne suivaient le cours que pour deux ans. Ils ne sont pas bêtes, mais ils en sont là.

Nous avons parlé des sentiments d'un Indien qui va à l'école, qui commence à apprendre ce que c'est que d'être un Indien; selon ces adolescents, c'est embarrassant, parce que les parents ne leur ont rien dit, ils ne savaient rien. Autrefois, le père enseignait aux enfants, les vieillards racontaient les légendes, mais cela ne se fait plus. On ne pousse jamais les Indiens à cela, on encourage l'inverse.

[*Texte*]

Mr. Cullen: I have to dissociate myself because I went throught the school system and never at any time when Indians were present, or not present, was there ever a downgrading in essence of the Indians. I feel there is an obligation on the Indian, and I think the sort of work you and my colleague Len Marchand, are doing is the sort of thing that is needed, to gain this respect and to do the kind of thing you are doing, but surely the responsibility is not all with the government.

When we went to the Northwest Territories, where the government is spending thousands of dollars on building homes, we talked to some people up there who really had some get-up-and-go and they said—and this is the first time I ever heard this—that the government is doing too much for the Indian. As a result, after they move into these nice homes and the painting gets chipped or scraped off, instead of the Indian doing the repair work in some way he says "Well, the government will come in and do that", and I wonder if we are doing too much in that respect.

Mr. Currie: Right. Definitely.

Mr. Cullen: Should we stop it?

Mr. Currie: I kept saying involvement, involvement, involvement, and this we have not done. The system does for the Indian; it does not do anything with him. Until this simple interchange, a replacement of words, is recognized and accepted by the establishment it is going to be a perpetuating system. You do it with the Indians, you do not do it for them. This is the key to it. I have had any number of people talk to me and say "How do I find out about myself and my people? Where do I go? Who is left to tell me? "

Let us take as an example a place like Mattagami Lake, which is a very isolated Indian reserve community in Northern Ontario. Why could the teacher not go out and bring the old people into the school and let them teach the kids the old stories. Or, if they cannot get the old people, why could they not get a transistorized tape recorder and go and talk to the old people and let them record the old songs and the old stories on tape and use those in the classes. Why could they not bring the Indian women and fathers into the schools who can teach skills and crafts to the kids, beadwork, carving—you name it.

Mr. Cullen: I see this as fine and I see it as extra-curricular.

Mr. Currie: No, not extracurricular—curricular.

Mr. Cullen: The Department makes these decisions. The Department of Education is responsible, and I think the points you are making are good and I think they would win the endorsement of the community.

[*Interprétation*]

M. Cullen: Je ne suis pas d'accord, car j'ai été à l'école et jamais, que les Indiens y soient ou pas, n'a-t-on parlé en mal d'eux. L'Indien même a ses responsabilités, et je crois que le travail que vous et M. Jean Marchand faites est essentiel. Ce n'est pas seulement le gouvernement qui doit agir.

Lorsque nous avons visité les Territoires du Nord-Ouest, où le gouvernement dépense des centaines de milliers de dollars pour construire des maisons, nous avons parlé à des gens très enthousiastes qui nous ont dit—c'est la première fois que j'entendais dire cela—que le gouvernement a trop fait pour les Indiens. Le gouvernement fait construire ces maisons, et lorsque la peinture s'écaille, au lieu que ce soit l'Indien qui fasse les réparations, il se dit que le gouvernement viendra repeindre sa maison. Je me demande si on ne fait pas trop pour les Indiens, à cet égard.

M. Currie: Très juste.

M. Cullen: Faut-il y mettre fin?

M. Currie: Il n'y a pas eu de participation. Le système agit pour l'Indien, mais pas avec l'Indien. Il faut absolument qu'il y ait participation de la part des Indiens. Il faut qu'on vienne à comprendre cela. Il faut que l'Indien participe, c'est la clé du problème. Bien des Indiens m'ont demandé comment ils pouvaient se connaître eux-mêmes, et connaître leur peuple, qui leur apprendrait ces choses. En guise d'exemple, prenons un endroit comme la réserve indienne de Mattagami. Pourquoi est-ce qu'un professeur ne ferait-il pas venir des vieillards de la réserve à l'école et leur demander de raconter les légendes de la tribu. Si cela est impossible, est-ce qu'on ne pourrait pas se rendre dans les régions éloignées, enregistrer les vieux racontant leurs histoires, et enregistrer les vieilles chansons? Pourquoi est-ce qu'on ne pourrait pas faire venir à l'école les hommes et les femmes indiens, qui peuvent enseigner la sculpture, l'artisanat?

M. Cullen: Je trouve que c'est très bien. Ceci pourrait être fait hors du programme.

M. Currie: Non, non, ce serait intégré dans le programme scolaire.

M. Cullen: Le ministère de l'Éducation prend ces décisions. Ce que vous est bien. Je suis sûr que la collectivité serait d'accord.

[*Text*]

There is one other thing, and this will be my last question, Mr. Chairman. You say that the educational system, and I think the whole point of the education aspect, is not successful because it is not relevant. My answer to that is that I took a lot of things when I went through the school system that I did not think were relevant. I was told that in order to be a lawyer I had to learn Latin, and I struggled like a son of a gun to learn it just so that after five or six years of taking Law I could say *volenti non fit injuria*, which I could have learned in 10 minutes. That is how relevant Latin was to me but I had been brain washed, if you want to call it that, that Latin was necessary. When you say it is not relevant, do you mean it is not relevant because it does not teach the history and it does not teach the culture, or it is not relevant because it does not train them for jobs in the community in which they live?

Mr. Currie: It is both, and it is more. Did the school you went to have a white teacher? Did the school you went to have a teacher who spoke the same language you did? Was the culture in the school the same as the culture you came from outside of school? The Indian kid walks across that threshold and he enters a foreign land, and everything in that land that is foreign says to him that one of these two systems is a lie. Either this classroom and what is stands for is a lie, or the home and the family that he goes back to every night is a lie. The two must be relative.

Let me give you a simple example. At the school in North York where I was principal nine out of ten kids were Italian Roman Catholic, and this was a public school. Whenever we sent a letter home to those parents we sent it home in English and Italian.

Whenever I called a parent on the phone I would check with the child to see if his mother or father could speak English, and if they could not, I spoke to the parents through an interpreter. Whenever a parent came to visit me in the school there was an interpreter there to help that parent so that I could communicate. When we had parent-teacher meetings, there were interpreters available to do everything in Italian, as well as in English. We recognize their culture.

I have an even simpler case. A teacher came to me one day and said: "Mr. Currie, I cannot teach Canada's food rules to these kids." You know what Canada's food rules are. Two eggs, bacon, cereal, juice, milk toast and jam and then you throw up your breakfast. After all that who would not? The teacher said: "We cannot teach this to these kids, because these kids do not eat these foods. If I persist, I am forcing these kids to judge their parents. I am saying to these kids: 'Your parents are wrong because of the way they feed you'." No teacher has this right.

Mr. Cullen: That is equally true of white children too.

[*Interpretation*]

Il y a un autre point, et ce sera ma dernière question, monsieur le président. Vous dites que le système d'instruction n'est pas une réussite parce qu'il n'est pas adapté aux gens. Quand j'étais à l'école, j'ai du apprendre bien des choses qui n'avaient aucune application pratique. Je voulais apprendre le droit, j'ai dû prendre le latin. En fait, il m'a fallu six ans de droit pour apprendre juste une phrase dont j'aurais pu apprendre le sens en deux secondes, «Volenti non fit injuria». On m'avait fait croire que le latin était indispensable. Quand vous dites que le programme n'est pas adapté, est-ce qu'il n'est pas adapté parce qu'il n'enseigne pas l'histoire, ou la culture, ou est-ce parce qu'il ne forme pas les élèves aux métiers qui leur seront utiles dans la communauté?

M. Currie: C'est cela et plus. Est-ce que l'école où vous êtes allé avait un professeur blanc? Est-ce qu'il parlait votre langue? Est-ce que l'école où vous êtes allé vous enseignait la culture que vous retrouviez dans votre milieu familial? L'Indien, quand il va à l'école, entre dans un pays étranger et tout cela lui dit qu'un des deux systèmes n'est pas le bon. Ou bien c'est l'école, ou alors c'est le milieu familial où il retourne tous les soirs qui est un mensonge. Il faut que les deux soient reliés.

Un exemple: dans l'école où j'étais directeur, à North York, neuf élèves sur dix étaient des catholiques Italiens, et c'était une école publique. Chaque fois que nous envoyions une lettre aux parents, nous la rédigions en anglais et en Italien.

Chaque fois que nous renvoyons un enfant chez lui le soir, il retourne dans un milieu anglo-italien. Chaque fois que j'ai dû téléphoner à un des parents, j'ai demandé à l'enfant pour savoir si sa mère ou son père parlait anglais, si ce n'était pas le cas, j'avais un interprète. Chaque fois que j'ai eu la visite d'un des parents, il y a un interprète pour pouvoir communiquer. Lors des réunions avec des parents et des professeurs, il y a eu des interprètes pour l'italien et pour l'anglais. Nous reconnaissons leur culture. Prenons un cas beaucoup plus simple. Un professeur est venu me dire: «M. Currie, je ne peux enseigner les lignes de conduite quant à l'alimentation canadienne.» Vous savez ce que c'est les grandes lignes de l'alimentation, 2 oeufs, jambon, les céréales, du jus, du lait, des rôtis et de la confiture. On ne peut leur enseigner cela parce que ces enfants ne le mangent pas. Si j'insiste, je les force à juger leurs parents, en disant vos parents ont tort à cause de la manière de vous donner à manger. Un professeur n'a pas le droit de faire cela.

M. Cullen: Cela s'applique aussi aux enfants blancs

[*Texte*]

Mr. Currie: That is correct. In any community the education given to that child must be relevant to the child and his community. It must not be foreign. There comes a time in age and in the educational program where changes can and will be made quite easily. When you give that child a secure foundation of pride, recognition and awareness of himself as an individual and as a human being, he will knock down doors and tell you: "This is what I want to learn; show me how to find out; help me to find out." However, initially we must give that child a solid foundation of security and pride in himself.

Mr. Cullen: May I be allowed one more supplementary? Mr. Currie, when you are making your speeches, and I have read many of them as I have said, I do not see too many where you throw the ball into the Indians' court. I am just wondering how often you say: "We cannot blame it all on the government". Do you take the other stand very often and say: "What are you doing? " It is all right to stand or sit around at these meetings and complain and blame the government for everything, but how many parent-teachers meetings have you been to and how many times have you visited the school and do you look at your kids' school work when they come home from school? Do you harangue the Indians the way you harangue the government?

Mr. Currie: Unfortunately, I have had the opportunity to speak to the non-Indian people mostly. Recently, I have had the glorious opportunity of speaking to Indian people, and these are questions that I have raised. The main thing that I raise with the Indian people is: "Why are you not pounding on the desk of the Department of Indian Affairs and insisting that you be given the right to run your own educational programs? Why do we not have Indian school boards? " This is the question I am asking Indian parents.

I ask Indian parents: "How come your band is getting self administration? Does self administration mean self administration, and if it does, why does it not include education? " The Indian parents want to be involved. They want to do, but they do not know how. An education is needed for them as well. After all, how hard can you harangue a guy when he is already down?

Mr. Cullen: That perhaps is the time to harangue them.

Mr. Currie: No, I disagree with you very strongly, because it is no fun to be down and to be kicked.

Mr. Cullen: It is not much good either to tell a fellow who is down that he should feel sorry for himself.

Mr. Currie: I am not telling them that they should feel sorry for themselves. Never. I am saying: "Why do you not ask these questions."

[*Interprétation*]

M. Currie: C'est juste. Tout enseignement donné à l'enfant doit se rapporter strictement au milieu de l'enfant. Il doit y avoir une relation. Il y aura un âge et un programme d'enseignement lorsque les changements se feront assez rapidement. À ce moment-là, on peut leur donner une base sûre de fierté, une reconnaissance et la conscience en tant que personne individuelle et être humain et il dira: «C'est cela que je voudrais apprendre, montrez-moi comment y arriver.» Au début, nous devons donner à l'enfant une base solide d'assurance et de fierté en lui-même.

M. Cullen: Puis-je poser une question supplémentaire? Lorsque vous faîtes vos discours et j'en ai lu beaucoup. Il n'y en a pas trop qui sont contre les Indiens. Combien de fois dîtes-vous: on ne peut reprocher au gouvernement tous les maux? Mais, prenez-vous l'attitude de dire: que faîtes-vous? Qu'est-ce que vous dites aux Indiens? Vous les laissez critiquer le gouvernement. À combien de réunion de parents et d'instituteurs êtes-vous allé et combien de fois avez-vous rendu visite à l'école et avez-vous vu les devoirs des enfants lorsqu'ils rentrent à la maison. Est-ce que vous critiquer les Indiens comme vous critiquer le gouvernement?

M. Currie: Malheureusement, j'ai eu l'occasion de parler la plupart du temps aux non-Indiens. Mais récemment j'ai eu la possibilité de m'entretenir avec des Indiens mais il s'agissait de question que j'ai soulevées. Je leur ai surtout fait comprendre pourquoi ils n'écrivent pas au ministère des Affaires indiennes pour insister qu'on leur accorde le droit d'appliquer leur propre régime scolaire? Pourquoi est-ce que nous n'avons pas de commissions scolaires indiennes. C'est ce que je leur ai demandé. Je leur dis: Pourquoi vous avez le droit de vous administrer vous-mêmes. S'il y a une auto-administration, pourquoi est-ce que cela ne comprend pas l'éducation? Aussi, les parents indiens veulent participer mais ils ne savent pas comment participer. Ils ont aussi besoin d'une éducation. Mais comment haranguer quelqu'un s'il n'a plus de force.

M. Cullen: C'est peut-être juste le moment.

M. Currie: Non, je ne suis pas d'accord, ce n'est pas drôle d'être à bout de ses forces et d'être poussé.

M. Cullen: Mais, cela ne sert à rien non plus de dire à une personne qui est à bout de ses forces et de se plaindre.

M. Currie: Je ne leur dis pas de se plaindre eux-mêmes, jamais. Mais je leur dis, pourquoi ils ne demandent pas ces questions.

[*Text*]

Mr. Cullen: Haranguing may be a strong word. I am sorry, Mr. Chairman, that I have taken so much time.

The Chairman: Mr. O'Connell.

Mr. O'Connell: Mr. Chairman, I want to begin by saying that I found Mr. Currie's statement most enlightening. I would like to ask, in view of some of the objectives which he described on the part of the Indians with respect to the educational system, whether he would see in Ontario any possibilities for

● 1215

the kind of educational intitiatives being taken at the Rough Rock school in Arizona? I wonder if he would be good enough to describe the outlines of that to the Committee, since I think it would fit in very closely to what we are talking about? If he saw any kind of place for that kind of approach in Ontario, would he kindly suggest what would be the respective roles of the province and of the federal government and of the Indian communities from the sense of involvement and initiative?

Mr. Currie: How long do we have?

Mr. O'Connell: I do not think it would take you more than five minutes.

Mr. Currie: The real key to something of this nature is the education and the training of the teacher. We must have teachers who are well qualified and well trained to go into these kinds of communities and who can work in this type of situation. At present the province is not, and has not, nor has any other province, tackled this type of a situation.

As a simple example: In the City of Toronto for the first time this summer the Department of Education is offering a course for teachers of underprivileged society, inner city schools, and so on. This needs to be done for people who to go into Indian communities. This would be one basis.

What could the federal department do? The federal department could provide the where-with-all so that the teachers in the classrooms could have the means to do this sort of thing, because you do not do these things easily or simply. They would have to talk with the principals and the teachers and the superintendents of the school system and say: "We must be more flexible; we must be prepared to teach and help these people learn about their culture."

In turn the Indian people, I am certain, could easily be approached and would be only too happy and proud to take part in such programs as they are doing in Rough Rock.

As a matter of fact, some of the recommendations that came out of the National School Committee Convention in Hamilton just a week ago raised many of these points.

[*Interpretation*]

M. Cullen: Haranguer est peut-être trop dire. Je regrette, M. le président d'avoir pris tellement de temps.

Le président: M. O'Connell.

M. O'Connell: Monsieur le président, je tiens à commencer par dire que je trouve la déclaration de M. Currie est extrêmement intéressante. Étant donné les objectifs qu'il a décrits à propos des Indiens et du système scolaire, pense-t-il qu'il soit possible en Ontario de prendre des initiatives dans le domaine de l'instruction publique comme on l'a fait dans l'école de Rough Rock en Arizona? Peut-il donner les grandes lignes de ce programme à ce Comité parce que ceci se rapporterait de près à ce dont nous parlons maintenant. Et si le témoin voit qu'il est possible de réaliser un tel programme en Ontario, pourrait-il proposer les fonctions respectives de la province et du gouvernement fédéral et des communautés indiennes en ce qui concerne la participation et les initiatives.

M. Currie: Combien de temps a-t-on?

M. O'Connell: Je ne pense pas que cela vous prendra plus de 5 minutes.

M. Currie: L'élément clé, c'est l'instruction et la formation de l'instituteur. Nous devons avoir des instituteurs qui sont compétents pour s'installer dans ces collectivités et qui peuvent travailler et s'adapter à cette situation. A l'heure actuelle, la province ne l'a pas fait. Aucune des provinces s'est attaquée à un genre de situation semblable. Par exemple, à Toronto, pour la première fois cette année, le ministère de l'Éducation donne des cours aux instituteurs qui enseigneront dans des régions sous-développées. C'est nécessaire pour les personnes qui enseigneront dans les collectivités indiennes. Ce sera une base.

Qu'est-ce que le ministère pourrait faire? Le ministère fédéral fournit les fonds afin que les instituteurs dans les classes d'écoles aient les moyens pour le réaliser parce qu'ils ne le font pas facilement ils devront parler au principal, aux professeurs et aux surintendant du système scolaire en disant: Il faudrait être plus flexible et être prêts à enseigner et à aider à apprendre ce que c'est leur culture. Les Indiens ne seraient que très heureux et fiers de participer à ce genre de système scolaire comme c'est le cas à Rough Rock. En fait, certaines des recommandations émanent du congrès des commissions scolaires à Hamilton où on a soulevé un grand nombre de ces points.

[*Texte*]

They want these things. To reflect back on what the previous gentleman was asking, at Walpole Island last fall when we had a meeting with the band, the school committee, the interim school organization for Kent County, and some provincial authorities, the Indian parents asked that night: "Can we teach our kids in Ojibwa"?

This is the point I am trying to get across. They wanted to, but they did not know how to go about doing it, or getting something. They wanted to do it, but it was not a case of the parents saying: "We are going to, or we will", but "can we? " This explains in a sense the mental attitude of many of the Indian people across Canada today. They always ask permission. If someone says "no", they quit. This sort of thing can and should be encouraged.

I have not really answered your question, Mr. O'Connell, but it is too broad a question to tackle easily. I see no fundamental difficulty to it. I see a lot of work involved, I see a lot of money being spent, and I see a lot of training going on, but I see it as the key way to do it. The point is: The system to date has not done it this way; the system to date has not been successful. Let us try the other way. We cannot be any worse by involving parents and giving them the opportunity to become involved by doing an Indian thing in school.

I met a young lad on the train going up to Moosonee last winter. He was attending a university here in Ottawa. I asked him how he felt about being an Indian in school and he did not understand what I meant so I explained to him what I had heard from other high school students. He said: "No I had no difficulties." I said: "Why not? " He said: "Because I knew who I was and what I was. I live with my grandfather up at Fort Albany and my grandfather took me hunting. I learned to hunt and kill a moose and skin a moose. My grandfather made sure I spoke Cree fluently and my grandfather told me the old stories. When I went to Fort Albany the sisters there

● 1220

taught me to read and write in Cree. I am a Cree and I know it." However, there are thousands of others who do not know it.

Mr. O'Connell: Mr. Chairman, I have one other question. Mr. Currie, could you indicate any significant research that you find is going on in Ontario into the education of Indian children, whether conducted by the federal or provincial government or by other agencies such as universities? Also, is there research into the learning process which would identify in a significant way some of these problems that are arising?

I have another perhaps not too related a question, but since I said I had only one perhaps I should now introduce it. Has his Department of Education, in the Province of Ontario, approached either the Union of Ontario Indians or Indian communities in

[*Interprétation*]

Ils veulent cela et pour revenir à ce que le préopinant disait, l'automne dernier, à Walpole Island à la réunion avec la Commission scolaire, la bande, l'organisation intérimaire du Comté de Kent et certaines autorités provinciales. Les Indiens ont demandé ce soir-là: Pouvons-nous faire l'enseignement en Ojibwa à nos enfants? Ils le voulaient mais ne savaient pas comment s'organiser pour le faire. Ils voulaient le faire, mais ils ne disent pas, nous le ferons ou nous le voulons. Ils demandent, pouvons-nous le faire? Ceci explique la mentalité des Indiens. Ils demandent toujours la permission et si quelqu'un dit non, ils abandonnent l'effort. Il faut les encourager à faire quelque chose.

Je n'ai pas vraiment répondu à votre question, M. O'Connell mais c'est une question beaucoup trop vaste pour qu'on l'aborde facilement. Je ne vois pas trop de difficultés. Mais il y a beaucoup de travail, beaucoup d'argent qu'on pourrait y consacrer, beaucoup de formation mais c'est le seul moyen de le faire. Jusqu'à présent le système n'a pas été axé sur cette conception et a été sans succès. Essayons de changer. Nous ne pouvons pas faire pire que nous faisons maintenant, en appelant la participation des parents et des enfants. J'ai rencontré un jeune dans le train de Moosonee l'hiver dernier. Il était étudiant à l'Université d'Ottawa et je lui ai demandé comment il se sentait, lui, comme Indien, à l'école. Il comprenait pas ce que je voulais dire de sorte que je lui expliquai ce que j'avais entendu dire des autres étudiants. Il me disait: «Non, j'ai aucune difficulté.» Je lui ai demandé pourquoi. Il m'a dit «je savais qui j'étais ce que j'étais. J'ai vécu avec mon grand-père à Fort Albany et il m'a enseigné la chasse, à tuer un orignal, il m'a enseigné le Cree que je parle couramment. Il m'a raconté des histoires et lorsque j'allais à Fort Albany les soeurs m'ont enseigné de lire et d'écrire le Cree. Je suis un Cree et j'en suis conscient.»

M. O'Connell: Encore une autre question. Est-ce-que M. Currie pourrait nous dire—si des recherches importantes sont faites dans l'Ontario concernant l'éducation des Indiens, des recherches faites par la province, par le gouvernement fédéral ou par d'autres organismes comme les universités. Y-a-t-il d'autres recherches dans les méthodes d'enseignement qui concerneraient de près les questions qui se posent.

J'ai une autre question qui ne se rattache peut-être pas à ce problème, mais comme je disais que j'en n'avais qu'une seule je devrais peut-être la poser maintenant. Est-ce que le ministère de l'Éducation de l'Ontario a pris contact avec l'Association des Indiens de l'Ontario

[*Text*]

the attempt to involve them in a consultative and perhaps even more meaningful capacity in these problems of curriculum adjustment? Has his Department gone any distance in the involvement of Indians either through their organizations or the communities themselves? The first question was on research.

Mr. Currie: The research question is easily answered. OISIE, the Ontario Institute for Studies in Education is doing three group studies; Dr. McDiarmid, Dr. Orlikow, and Jim—that is his first name, I cannot remember his last name—are each doing something. However, they feel that they are only just getting off the ground.

Ontario is way behind in doing something of the nature. Unfortunately not enough has been done.

Mr. Marchand (Kamloops Cariboo): Who are we behind?

Mr. Currie: We are behind the "need", let us put it that way. I do not know who has done much work in this area. I was at a meeting where the Bureau of Indian Affairs from Washington was speaking and while they spoke, all I had to do was to close my eyes and everytime the words "Bureau of Indian Affairs" came up I put in "Department of Indian Affairs" and it sounded like the same dialogue, there is no difference. You asked about the involvement of the Department with the native peoples' organizations and so forth. No, this is not being done, and this is reflected again at the very local school level. There is no involvement of the integrated school board in our system, with the Indian community.

There is a triangle, here, which has never been closed. The triangle is the Indian community, the Department of Indian Affairs, and the school system. Everything, unfortunately, seems to go through the Department of Indian Affairs. The Indian people talk to the Department of Indian Affairs because they want to know something about the school system. The school system talks to the Department of Indian Affairs because they want to know something about Indian people. But none has smartened up yet. People do not realize that there is a direct line of communication between the school system and the Indian people, and that this requires education. Now, the provinces are at fault because they persist in hiding behind or thinking that: A. Indians are a federal baby and we must not touch it; B. Reserve communities are federal land and we must not tread on anybody's toes. Until this idea is cleared up, this triangle will not be closed.

I think this is where the Department of Indian Affairs could play a very strong role as, what you would call a catalyst. In other words, by talking with the Indian people, and the school board and by

[*Interpretation*]

ou avec des collectivités indiennes pour chercher à les faire participer, peut-être à titre consultatif ou même plus utilement à ces problèmes de l'adaptation à la vie. Est-ce que le ministère a fait des efforts pour faire participer les Indiens, soit par le truchement de leur Association ou par les collectivités elles-mêmes? La première question portait sur la recherche.

M. Currie: Pour ce qui est de la recherche, la OISIE, la *Ontario Institute for Studies in Education* effectue trois études de groupe. M. McDiarmid, M. Orlikow et Jim, je ne me souviens plus de son nom de famille font chacun un travail distinct, mais ils ont l'impression que c'est juste le début. L'Ontario est très en arrière pour cette question et, malheureusement, on n'a pas fait assez jusqu'à présent.

M. Marchand (Kamloops-Cariboo): Nous sommes en retard par rapport à qui.

M. Currie: Ils sont en retard sur les besoins et je ne sais pas qui a fait beaucoup dans ce sens là. J'ai été à une réunion du Bureau des affaires indiennes de Washington et j'ai pu fermer mes yeux et chaque fois que l'on a mentionné le Bureau des affaires indiennes je l'ai remplacé par ministère des Affaires indiennes et c'était le même dialogue, il n'y a pas de différence. Vous parlez de la participation du ministère à certaines organisations des indigènes. Non, il n'y a pas de participation et cela se réflète au niveau des écoles locales. Il n'y a pas de participation de la commission scolaire intégrée de notre système aux collectivités indiennes.

Il y a un triangle qui n'a jamais pu se joindre c'est la communauté indienne, le ministère des Affaires indienne et le système scolaire. Le tout semble malheureusement passer par le ministère des Affaires indiennes, les Indiens parlent au ministère des Affaires indiennes lorsqu'ils veulent des renseignements sur le régime scolaire; les écoles parlent au ministère des Affaires indiennes lorsqu'elles veulent des renseignements sur les Indiens. Personne jusqu'à présent ne s'est rendu compte qu'il y a un moyen de communication direct avec les Indiens. Cela nécessite une certaine éducation. Les provinces ont tort pour ce cas-là, parce qu'ils pensent que a) les Indiens relèvent du gouvernement fédéral et il ne faut pas y toucher; b) les réserves sont des territoires fédéraux, qu'il faut faire attention à ce que l'on fait. Jusqu'au moment où ce problème sera résolu, il y aura une lacune.

Je crois que le ministère des Affaires indiennes pourrait jouer un rôle très important pour catalyser ces rapports et se mettre en rapport avec les commissions scolaires, avec les Indiens, en leur disant de ne pas

[*Texte*]

saying to them "Look do not send us these papers, do not ask us these questions, go and see the Chief in Council, go and see the school committee, go and talk to the parents on the reserve, do not talk to us", and in turn going to the people of the community and working with them along this line, and giving them guidance. This is another reason why they do not. They do not know how. They do not understand the workings of the system.

Mr. O'Connell: Thank you.

Mr. Dinsdale: Mr. Chairman, obviously Mr. Currie has far more insight into this problem that would be possible for anyone living outside the Indian community itself. It is obvious, from his comments that he knows who he is. Now I would like to ask Mr. Currie if this is a result of family influence or schooling, back home on the reserve, or later education? What is the reason for your very keen insight into the essential problem that this Committee is trying to grapple with?

● 1225

Mr. Currie: To a certain extent I have covered this, but as a boy I was ashamed of being an Indian. Today I can say that. As a kid, you could not have dragged that out of me with 10 tons of horses. There was nothing around me that said, "it is good to be an Indian". There are many Indian kids today who have this. I was born and raised in the city. I went to the movies and, as I said, we lost every Saturday—you know, Buck Jones, Tim McCoy. I notice the smiles of recognition in the room. That is dating you too!

Mr. Dinsdale: That dates you too.

Mr. Currie: That dates me too, you are right. My parents could not teach me anything because they knew nothing of themselves as Indian people. My father had less than grade 8, and my mother could neither read nor write. In school, the words "savage" "cruel" "bloodthirsty" and Father's "Brebeuf and Lallemand" were the key things that came out of education about the Indians, nothing else. I stayed in school, and went to high school. Again we were on welfare, so I knew what it was like to go to school in rummage sale clothing, to be an Indian, the only one in the high school, and to recognize the discrimination in school. In turn, I began to be a discriminator myself because I found there were a bunch of kids who called me "Walt" and a bunch of kids who said "you mean the Indian guy". You actually learn to discriminate.

As time went on, I began to make my own personal adjustments. One of the most horrible adjustments occurred at that age when as a young man you suddenly realize there is another animal in this world called "girls". When you are the only Indian student, and there are no Indian girls in your community,

[*Interprétation*]

envoyer ces documents, de ne pas demander ces questions, aller voir le chef en conseil, la commission scolaire, aller voir les parents dans la réserve mais ne vous adresser pas toujours à nous. Il faut aussi voir les gens de la collectivité et travailler avec eux pour leur donner des conseils. C'est une autre raison pourquoi ils ne le font pas; ils ne savent comment s'y prendre. Ils ne comprennent pas les méthodes de ce système.

M. O'Connell: Merci.

M. Dinsdale: Monsieur le président, M. Currie est certainement très au courant de ces questions, probablement beaucoup plus au courant que d'autres en dehors de la communauté indienne et, d'après ses commentaires, on sait qui il est. Maintenant, je vais demander à M. Currie si c'est le résultat de l'influence de sa famille, de l'école, s'il a appris cela sur la réserve ou par les études qu'il a faites? Comment se fait-il que vous compreniez si bien les problèmes essentiels que nous essayons d'étudier ici?

M. Currie: J'en ai parlé déjà. Mais, quand j'étais un jeune garçon, j'avais honte d'être Indien. Je peux vous le dire maintenant, je ne l'aurais jamais avoué quand j'étais enfant. Rien n'indiquait qu'il était bon d'être Indien. Il y a beaucoup d'enfants indiens qui ont ce même sentiment. J'étais né et élevé dans une ville; j'allais au cinéma tous les samedis, vous savez avec Buck Jones et Tim McCoy. Je m'aperçois des sourires dans les pièces. Vous vous souvenez aussi?

M. Dinsdale: Et vous aussi.

M. Currie: Mes parents ne pouvaient rien m'enseigner parce qu'ils ne savaient rien en étant Indien. Mon père n'avait même pas un grade 8 et ma mère ne pouvait ni lire ni écrire. A l'école, les mots «sauvage», «cruel», «avide de sang» et les Pères Bréboeuf et Lallemand étaient les seuls renseignements sur les Indiens, rien d'autre. Je suis passé à l'école secondaire et nous recevions de l'aide à ce moment-là. Donc, je me rends très bien compte comment c'était d'aller à l'école dans les vêtements de seconde main. En tant qu'Indien, on se rend compte de la discrimination, mais moi aussi j'ai commencé à être discriminateur. J'ai constaté que certains enfants m'ont appelé «Walt» et les enfants disaient: «Tu veux dire, l'Indien là-bas.» On apprend à discriminer.

Petit à petit, je me suis adapté. Ce qui a été le plus difficile, c'est à l'âge où tout jeune homme se rend compte qu'il y a des jeunes filles et, malheureusement, il n'y a pas de jeunes filles indiennes dans la communauté et surtout quand on est mal placé du point de vue financier. Les enfants à l'école avec

[*Text*]

man this is rough! Especially when you are at the wrong end of the economic system. So there were these things; the kids in school who related to me and to whom I related, and the teachers who took an interest in me as an individual.

Throughout this I found nothing that said, "it is good to be an Indian". As I became more educated I began to read, to talk, to question and to learn. For example, in the Air Force, overseas, I remember that we were lying in our Nissen huts one night, and these British Isles people were ripping Canadians apart. There were 11 in our RAF squadron, so they talked about the Mounties the bears the wolves the snow and the wild, wild Indians, They were savages, you know and this went on.

Finally, in an interlude, I said: "O.K. you guys, you have been talking the wild savages and the Indians, I am an Indian", There was absolute silence in that Nissen hut, until somebody got up and turned the light off, and we all went to sleep. But it was little things like this that made me aware of myself today. It was a whole process, but it was a process that was aided by friends. teachers and myself. I was lucky, and I use myself as an example– not in pride, but simply as a bare example. It is a unique child who rises above his environment. It is not the average kid. It is a unique child who for some reason or other does it. Most kids fall back into where they were born.

Mr. Dinsdale: You represent the new kind of leadership that is emerging. Would you not say that it is essentially the result of educational opportunity? You say you are a unique child, but I find across Canada that there are Indians emerging as leaders, who are grappling with the problem in precisely the same terms as you, and their insight and ability to cope in this way and to bridge the cultural gap of the two communities is largely attributable to the educational opportunity that has been theirs.

Mr. Currie: I will not buy that. I will buy it partially, because I feel I got an education in spite of my teachers, not because of. I feel this is true in too many cases of kids who go to school; it is inspite of, not because of. Again these are unique kids. These 35 kids in grade 13, and the 200 plus who are in university across the whole country, are unique people. How many of them are leaders in regard to the Indian question? How many of them, instead, have accepted and are products of the system?

Mr. Dinsdale: You have been involved in the educational process yourself. I think everybody is beginning to recognize, certainly the members of this Committee and those who have taken any time to consider the problem, that paternalism has destroyed the Indian culture, the Indian community, the Indian family.

[*Interpretation*]

lesquels j'avais des relations étroites ainsi que les professeurs qui se sont intéressés à moi en tant qu'être humain, mais je ne voyais aucun avantage à être Indien.

Peu à peu, j'ai lu, j'ai posé des questions, je me suis renseigné; quand j'étais membre de l'aviation, je suis allé outre-mer et, en Angleterre, on critiquait les Canadiens, on parlait des gendarmes de la Gendarmerie royale, des ours, des Indiens sauvages des loups, de la neige et des sauvages, à la fin, j'ai dit: «Bon, vous venez de parler des Indiens,»–j'ai dit–«Moi, je suis Indien.» Et, il y avait un silence absolu à ce moment-là. La personne a éteint la lumière et nous nous sommes endormis. C'étaient des petites choses de cet ordre qui ont fait que je me suis rendu compte de la situation. J'ai été aidé par mes amis, par mes professeurs et par mes efforts personnels. Je puis me citer comme exemple qu'il y a très peu d'enfants qui sortent de leur milieu; ce sont des enfants exceptionnels qui y arrivent ce n'est pas un enfant moyen. La plupart des enfants retournent dans leur milieu, là où ils sont nés.

M. Dinsdale: Vous représentez la nouvelle génération qui prend la direction. Vous ne trouvez pas que c'est le résultat des possibilités de l'éducation. Vous dites que vous êtes un enfant exceptionnel? Mais il me semble de plus en plus qu'au Canada, il y a des Indiens qui deviennent des chefs de file, qui s'occupent de ces problèmes tout comme vous et leurs possibilités de comprendre le problème leur viennent de l'instruction qu'ils ont reçue?

M. Currie: Moi, je ne suis pas tout à fait d'accord. Je sais que j'ai reçu une éducation en dépit de mes professeurs et c'est ce qui s'applique dans trop de cas d'enfants qui vont à l'école. Ce sont des enfants exceptionnels; les 35 qui sont en classe 13, ceux qui sont dans les universités sont tout à fait des enfants exceptionnels. Mais combien sont des chefs de file quand il s'agit de questions indiennes? Combien ont accepté le système et sont devenus son produit.

M. Dinsdale: Vous êtiez vous-même impliqué dans le processus de l'instruction. Je pense que tout le monde commence à reconnaître le problème, certainement les membres du Comité, et ceux d'entre nous qui ont consacré leur temps à ce problème que le paternalisme a détruit la culture indienne, la communauté indienne et la famille indienne.

[*Texte*]

Now you are almost crusading here this morning indicating that we will never be able to come to grips with the problem until the Indian finds out who he is, where he came from and take pride in his cultural heritage and so forth as a part of the Canadian mosaic. We westerners understand this Canadian mosaic principle quite easily. Who is going to recapture this lost heritage? Who is going to indoctrinate the rising generation of Indians when the community is destroyed because of the ghetto system, when families have lost touch with it? Certainly the whites in the community or in the educational system cannot. It will depend on Indian teachers. Do you think this might help to hasten the process of bridging the cultural gap: that is, more Indian teachers like yourself who have a special insight and a special feeling and sensitivity for the problem?

Mr. Currie: Yes, I would say the use of Indian teachers would be a better thing. One simple reason is that it would put in front of the Indian child a success image. You know, the impact upon a six-year-old or eight-year-old kid, "Hey, that teacher up there is an Indian". You know, instead of "Hey that teacher up there, what is he? He is not an Indian". Or, as one group out West said when the new teacher arrived and he happened to be a Jamaican, "Hey, look at the black white man".

There is a great need for this and it can be done.

I think this is a role and this is a responsibility that can be fulfilled by the Department of Indian Affairs under their present responsibilities by encouraging this sort of thing to go on: by finding people who are willing, who know the system, and who will stand and talk, and who can be used on a rotating basis from community to community. In the South we need them especially because there is very little in the South. There are no resources in the South, there are no old people left. In the North you can still find many of the old people. I understand that even in the Kenora region, for example, there are still many people who worship the old Midaywewin way. They have never become Christians and the Longhouse people still exist on the Six Nations, for example.

Mr. Dinsdale: In regard to this Indian teacher question, I have heard it said, although I have nothing to prove this, that the Indians themselves are reluctant to accept an Indian teacher. I have no personal experience with this but I know this information has been communicated to me from the so-called experts in both the field of Eskimo education and Indian education. Does this exist? Is there a reluctance on the part of the children themselves to accept teachers from their own ethnic background and why?

Mr. Currie: Yes, but not on ethnic background. I would say it is because the teacher has not been

[*Interprétation*]

Vous amenez presque une croisade ici ce matin pour démontrer que nous ne pourrons jamais nous attaquer aux problèmes, avant que l'Indien ne sache vraiment qui il est, qu'il soit fier de son héritage culturel, qu'il fasse partie de la mosaïque canadienne. Nous n'avons pas de mal à comprendre cela, mais qui va retrouver cet héritage perdu? Qui va apprendre à la nouvelle génération parce que les familles ont perdu le contact avec la culture. Les Blancs de la collectivité ou du régime scolaire ne peuvent pas enseigner cette culture. Cela dépendra des professeurs indiens eux-mêmes. Est-ce que vous pensez que ceci pourrait aider à surmonter les lacunes culturelles qu'il faudrait davantage des professeurs indiens comme vous-même qui comprendraient qu'ils sont sensibles à ce problème.

M. Currie: Oui, je pense que si nous avions des instituteurs indiens, cela irait beaucoup mieux. Une raison en est de présenter aux enfants l'image d'une personne qui a réussi. Vous saver la réaction des enfants de 6 ans ou 8 ans est: Ce professeur est un indien au lieu de dire «qui est-il, ce n'est pas un Indien. Comme le professeur qui par hasard est Jamaïcain et les enfants disent: «Il a l'air d'un blanc qui est noir».

J'estime que c'est un rôle à jouer par le ministère des Affaires indiennes et qu'il faut encourager ceci, qu'il faut trouver des gens qui sont prêts, qui connaissent le régime, qui sont prêts à exprimer leurs opinions et qui peuvent aller d'une collectivité à l'autre. Nous en avons besoin surtout dans le Sud, parce qu'il y en a très peu. Il n'y a pas de ressources dans le Sud. Nous n'avons pas de vieilles personnes là, dans le Nord par contre il y en a encore; dans la région de Kenora il y a encore beaucoup de gens qui croient encore à la «Midaywewin». Ils ne sont jamais devenus des chrétiens et les gens de «Longhouse» font encore partie des «Six Nations».

M. Dinsdale: En ce qui concerne la question d'instituteurs indiens, j'ai entendu dire et je n'ai aucune preuve que les Indiens eux-mêmes hésitent à accepter un professeur indiens. Je n'ai pas d'expérience mais je sais que ce message m'a été communiqué par des spécialistes dans le domaine de l'éducation des Esquimaux et des Indiens. Est-ce que les enfants hésitent vraiment à accepter les instituteurs indiens et pourquoi?

M. Currie: C'est parce que l'instituteur n'a pas été formé de la façon voulue. Un instituteur est arrivé à

[*Text*]

trained to be a good teacher in that community. In one case I know of, up near the Lakehead the teacher came in and was rougher on the kids than if he had been in a non-Indian community. He was an Indian. Your own kind are tougher on you because it is like the father of a child being the principal of the school he is at. He is a heck of a lot tougher on his own boy in that school than any other kid in the school. This is what it amounted to. Now I can take you to Big Trout Lake where there is a young lad there teaching, I think, it is Grade 4. He only has a grade 12 education and he is doing a wonderful job. He is respected and he is admired. He is fulfilling a tremendous role in that community as a teacher. The kids respect him and admire him because he knows what he is doing. He has the feel. He is teaching kids as human beings and he is being a human being himself. This is one of the keys about teachers who go into these communities. They must be human.

Mr. Dinsdale: Let us come to this dropout problem. It exists in all communities, but in a special way amongst our Canadian Indians and it is a by-product of lack of pride, culture and so forth and

● 1235

discrimination in the urban community. Why is it that the young Indians cannot be encouraged to seize opportunities in the teaching profession? Why is there no challenge to young Indians? Why the lack of motivation to proceed in this direction when they could serve their own people better if they had a broader educational background?

Mr. Currie: This is true, yet do they want to be teachers.

Mr. Dinsdale: Well, in any of the professions, any of the service fields.

Mr. Currie: I think more Indian students have gone into teaching than into any other vocation. Why this is I do not know but I think you could find more. I agree this would be good but the motivation factors are very, very key points, I think the motivation factor perhaps is best expressed by the example of what one young lad, aged 18, said to me in Kenora. He was sitting right next to me and he said: "Mr. Currie, can I ask you a question? I need some help." I said, "Sure, try me." So he said, "Well, I have talked to the principal and I have talked to the guidance counsellor." I said, "All right, what is the problem? " He said, "That is it, I do not know."

He could not say what was bothering him and the whole room was filled with kids like that. They do not know. There is an unknowingness among them.

Mr. Dinsdale: Of course this arises from the fact that there is no support from the family or the community and so forth. Provision is made now for

[*Interpretation*]

l'Institut indien, il était plus sévère en tant qu'Indien qu'un non-Indien, mais il était Indien. C'est comme s'il était le père d'un enfant et le directeur d'une école. Il est beaucoup plus sévère envers son propre fils qu'envers les autres. Prenez par exemple un jeune homme qui enseigne à Big Trout Lake la quatrième année et lui-même n'est allé que jusqu'à la douzième année. Et pourtant il est respecté, il est très admiré. Il fait un travail admirable, parce qu'il sait ce qu'il sait. Il enseigne à des enfants, il est humain et c'est ce qu'il faut. Il est essentiel que l'instituteur soit humain avant tout.

M. Dinsdale: Le problème existe dans toutes les collectivités, mais surtout parmi nos Indiens canadiens ce qui résulte d'un certain manque de fierté, de culture, de discrimination dans la communauté ur-

baine. Pourquoi on ne peut encourager les Indiens à saisir les possibilités dans l'enseignement. Pourquoi n'y-a-t-il pas de possibilités qui s'offrent dans l'éducation aux Indiens. Pourquoi ils ne le font pas pour rendre service à leur peuple avec une éducation plus générale et approfondie.

M. Currie: C'est vrai, et pourtant il veulent être enseignants.

M. Dinsdale: Dans toute profession, dans tous les domaines de service.

M. Currie: Il y a un plus grand nombre d'Indiens qui sont devenus instituteurs que n'importe quoi d'autre. Pourquoi, je ne le sais pas. Mais il devrait y en avoir davantage. Mais, la motivation est un élément très très important qui est très bien exprimé dans le cas du jeune homme de 18 ans qui me disait à Kenora en étant à côté de moi: «M. Currie, puis-je poser une question? J'ai besoin d'aide!» J'ai dit «oui, bien sûr». Alors, il me dit: «J'ai parlé au principal et au conseiller». «Quel est le problème? » «Justement, je ne le sais pas».

Il ne pouvait pas s'exprimer, il ne savait pas que était son problème. Et dans une salle d'école, il e est de même, les enfants ne savent pas quel est leu problème. Il s'agit d'une ignorance parmi ces enfant

M. Dinsdale: En fait, c'est parce qu'il n'y a pa d'appui dans la famille, ou dans la collectivité. E fait, on prend des dispositions maintenant pour a

[*Texte*]

participation of Indians on school boards and advisory committees, so we are told. There would appear to be a certain reluctance to participate. How can this be encouraged? Adult participation is essential if we are going to bridge this culture gap that you refer to. If there is access to school boards, if there is access to advisory committees and what have you, why do the Indians themselves on the reserves not take advantage of this?

Mr. Currie: I think that is a simple question with an easy answer. Why does a person from the wrong end of the city not go to a home and school meeting in the school? They do not because they do not feel good enough. Unless you have experienced this, it is a difficult thing to explain. Why do we ask an Indian parent to suddenly bridge the gap from a reserve community where he has had no opportunities for leadership, no training for leadership? Suddenly we ask him to walk into Wallaceburg, into Chatham, into Ottawa, into Kenora to sit on a school board with 15 or 16 educated white people with shirts and ties on and take part? Man, it takes sheer guts and courage to walk into that room and take part if you do not know how.

There needs to be a training program in the meantime. We are saying this is a good idea, I think it is a good idea to involve Indian people on integrated school boards but why do we not give them the training back home in their own reserve communities first? The people from the South do quite well usually, but the people from the North are very shy about this. Maybe "shy" is the wrong word for it.

Mr. Dinsdale: You said that you are talking mostly to white Canadians and I think, perhaps, that is a good way to begin because it would seem that here is where the larger problem lies, a failure to appreciate the business of neglect over a long number of years of our Canadian Indian citizens. It is almost like the attitude: what is good for General Motors is good for everybody. I hope you continue in this respect.

I do not want to monopolize the time here, but I have one final question. You say there is no case of an integrated school an a reserve anywhere in Canada, that is, where children off the reserve come to the reserve school.

Mr. Currie: Not to my knowledge.

Mr. Dinsdale: Is that deliberate or . . .

Mr. Currie: I do not know.

Mr. Dinsdale: I think this would be one of the best means of bridging the gap if children from commun-

[*Interprétation*]

surer la participation des Indiens dans les commissions scolaires et dans les comités consultatifs. En tout cas, c'est ce qu'on nous dit.

Pourquoi est-ce qu'il y a une certaine hésitation à participer, de la part des Indiens? Comment est-ce qu'on peut les encourager à participer. La participation adulte est essentielle pour combler cette lacune culturelle dont vous parlez? Peuvent-ils accéder aux commissions scolaires? Si l'entrée dans les comités consultatifs est assurée, pourquoi est-ce que les Indiens des réserves n'en tirent pas profit?

M. Currie: Ce n'est pas une question simple et une réponse simple. Pourquoi les gens ignorants ne vont pas aux assemblées d'écoles. Parce qu'ils ne se sentent pas assez formés. Si vous ne l'avez pas vécu, c'est difficile à expliquer. Pourquoi est-ce que vous demandez à un parent indien, tout d'un coup, de combler le fossé de la communité de la réserve où il n'avait aucune possibilité de diriger et de former de venir tout d'un coup de se rendre à Chatham, ou à Ottawa où à Kenora, à une commission scolaire où se trouve 15 ou 16 blancs bien instruits en chemise et avec des cravattes. Cela demande énormément de courage pour un Indien, pour se rendre dans une salle, si on ne sait pas comment s'y prendre.

Voilà. Entre-temps, il faut un programme de formation des adultes. On dit que c'est une bonne idée, c'est sûr. Nous disons que c'est une bonne idée de convoquer des Indiens à des Commissions scolaires. Mais, pourquoi ne pas leur donner la formation voulu dans leur réserve? Dans le Sud, les gens réussissent bien, mais dans le Nord, la population indienne est très intimidée.

M. Dinsdale: Vous parlez surtout aux canadiens blancs. C'est là que se retrouve le grand problème. Les Blancs ne se rendent pas compte que l'on a négligé problème des Indiens pendant tellement de temps qu'on fini par dire ce qui est bon pour la *General Motors* c'est bon pour le pays. J'espère que vous continuez dans ce sens. Je ne voudrais pas dépasser le temps, mais j'ai une dernière question. Vous dites qu'il n'existe pas d'école au Canada dans une réserve où les enfants à l'extérieur de la réserve viennent dans la réserve.

M. Currie: Pas à ma connaissance.

M. Dinsdale: Cela a été voulu?

M. Currie: Je ne le sais pas.

M. Dinsdale: Ce serait un des meilleurs moyens de combler le fossé, si les enfants à l'extérieur de la

[*Text*]

• 1240

ities outside the reserve were, where it was more convenient in terms of distance and facilities and so forth, to attend school on the reserves. You know of no instance of this kind anywhere in Canada?

Mr. Currie: None that I can name. I have heard of them but I do not know where they are. I have heard of problems that have been raised in points like this. For example, I understand that in Saskatchewan there are three communities where a new composite school or regional school had to be built and the reserve community was in the middle of this triangle. They did not build the school on the reserve community; they built it at one of the points of the triangle.

Mr. Marchand: (Kamloops-Cariboo): Mr. Chairman, perhaps Mr. Bearrobe could answer that question. In practical terms I agree there are none. I know last year or a couple of years ago in Alderville there was a school being built on the reserve which is going to be used by Indians.

Mr. Currie: The school at Alderville is built on .6 acre of land which had been bought from the band—leased from the band, rather—and the school primarily sits off the reserve community.

Mr. Marchand (Kamloops-Cariboo): I see—away from the functional Indian community. But there are other instances, though, and there are some real discussions going on in my area—very serious discussions—about this sort of thing. To try to make the two-way process work they have been really working at it. "Why should we always go across the bridge rather than have you come across the bridge to our side"—some of these things are really going on.

Mr. Chairman, I have to go now but I wonder if I might just make one short comment.

The Chairman: Mr. Southam is next on the list.

Mr. Marchand (Kamloops-Cariboo): I have a speaking engagement in British Columbia and I have to catch a plane very shortly. I just wanted to thank Walter for coming. I think he gave some very enlightening evidence. As you will recall, last week I made the statement out in the West that the Committee should perhaps investigate the whole aspect of Indian Affairs and all of its functions such as Indian education. A lot of the thoughts that I had at the time are being reinforced. I did not say in a totally critical sense—I said it in an objective sense—that while there are a lot of good things going on, there are a lot of things that need to be plugged in.

The Committee could really help to plug in a lot of these things. We could help plug in the univer-

[*Interpretation*]

réserve allaient à l'école dans une réserve, si cela convient mieux du point de vue de la distance. Y-a-t-il des exemples au Canada.

M. Currie: Non, je ne pourrais en citer aucun. J'en ai entendu mais je ne saurais dire où elle se trouvent. Par exemple, en Saskatchewan il y a trois collectivités où une école régionale devait être construite dans un triangle d'une réserve, ils ne l'ont pas construite dans la réserve mais à un des points du triangle.

M. Marchand (Kamloops-Cariboo): Monsieur le président, M. Bearrobe pourra peut-être répondre à cette question. Il n'y en a pratiquement pas. Je sais que l'année dernière, ou il y a quelques années, on a construit une école dans la réserve d'Alderville, qui devait être utilisée par des Indiens.

M. Currie: Alderville a été bâti sur un terrain de .6 acre, qui a été acheté de la bande plutôt loué et l'école est réellement située à l'extérieur de la réserve.

M. Marchand (Kamloops-Cariboo): Oui, à l'extérieur de la communauté indienne. Mais il y a d'autres cas. Dans ma région, il y a des pourparlers assez sérieux à ce sujet pour essayer d'assurer ce mouvement dans les deux sens. Pourquoi devons-nous toujours faire des concessions au lieu de vous pour faire le premier pas? Je dois m'en aller maintenant mais puis-je faire une observation.

Le président: M. Southam, vous avez la parole.

M. Marchand (Kamloops-Cariboo): Je dois prononcer un discours en Colombie-Britannique, il faut que je prenne l'avion très bientôt. Je voulais remercier Walter d'être venu nous donner un témoignage extrêmement intéressant au Comité. Vous vous rappellerez que la semaine dernière, j'ai déclaré dans l'Ouest qu'on devrait peut-être étudier l'ensemble des affaires indiennes et ses fonctions dans le domaine de l'éducation. Bon nombre de mes pensées ont été confirmées. Ce n'était pas nécessairement dans un sens tout à fait critique mais de façon objective, car bien des choses doivent être coordonnées.

Le comité pourrait l'aider. On pourrait le faire dans les universités, dans les systèmes d'école publi-

[*Texte*]

sities, we could help plug in the public school systems and a lot of the things that are going on, and this was one of the reasons that I made the statement. I would like to submit that we consider very seriously the idea of looking at Indian education in very great depth with the idea of trying to plug in a lot of these things and I hope that we can perhaps consider this a priority item say within the next year or so. I know that we will probably have a very busy schedule but this is a most serious situation.

I said last week that there are some 200 or so Indian kids in the universities. If you look at it on a per capita basis in terms of Canadian society, the number of kids we should have in universities is around 3,000.

Would you agree with that, Walt? And so there are some real things that we as a Committee could do. A large part of the problem is political. We could be living in a Utopia such as Walt has described if money were not a consideration, but in terms of political reality money is a factor, and it is a big factor when we politicians are trying to do things. We always tell those constituents back in our backyards who are putting up the money. We have a real fight, Walt, to try to get this money. It would be really great if we lived in the type of situation where we could look at education in terms of education alone, in terms of educating the man without regard to money, but this is not the type of situation that we live in. Thanks, Mr. Chairman. I have to go.

Mr. Currie: May I add to what Leonard has said that often when speaking I say to the audience, who are always very receptive and very enthusiastic, "Before you get hot and bothered about this, are

▶ 1245

you people willing to pay the shot? Because let us face it—it is going to cost you money. But when you balance it out against the welfare payments over the next 50 years it is cheap." May I also add to what you mentioned about universities. The Senate, eight weeks ago roughly, approved of an Institute of Indian Studies at Trent University at Peterborough which will begin in September of 1969. It will be a degree granting institute. A student enrolled in another course may come across and take pertinent sections of the curriculum. This will not be a segregated program; it will be open to any student across the country. Hopefully, as time goes on and the 200 students become 205 and then 220 and so forth, a good many of these will go to this program and take this course. This is the first university in Canada to get one off the ground.

The Chairman: Mr. Southam.

Mr. Southam: Thank you, Mr. Chairman. I will not not take up too much time of the Committee because a number of the questions that I had in mind have already been explored.

[*Interprétation*]

que, voilà la raison pour laquelle j'ai fait cette déclaration, sérieusement l'idée d'examiner à fond l'éducation des Indiens afin d'établir un rapport entre toutes les zones d'activités. Je sais que nous serons très occupés, mais c'est une situation très grave.

J'ai déclaré la semaine dernière qu'il y a environ 200 Indiens à l'université. Si on établit une comparaison avec la population canadienne, il devrait y avoir en proportion, 3,000 Indiens à l'université.

Seriez-vous d'accord, Walt? C'est pourquoi, à titre de comité, nous pourrions faire beaucoup de choses car une grande partie du problème est politique. Nous pourrions vivre dans l'Utopie décrite par Walt si l'argent n'entrait-pas en ligne de compte, mais du point de vue des réalités politiques, l'argent est un facteur très important quand nous essayons d'apporter des solutions. Nous avons toujours beaucoup de peine à obtenir de l'argent. Ce sera magnifique de pouvoir examiner l'éducation en tant que telle, sans tenir compte de l'argent mais ce n'est pas la situation qui règne actuellement. Monsieur le président, je vous remercie et je dois vous quitter.

M. Currie: Puis-je ajouter que très souvent dans un discours, je dis à l'auditoire qui m'écoute toujours avec beaucoup d'enthousiasme: Avant de vous enflammer et d'être ennuyé par cette question, êtes-vous prêts à en assumer les frais? Il ne faut pas oublier que cela coûtera de l'argent. Mais lorsque vous le comparez aux versements du bien-être social au cours des cinquante prochaines années, c'est très modique. Vous parlez des universités. Il y a huit semaines, le Sénat a approuvé la création de l'*Institute of Indian Studies* à l'Université de Peterborough, qui ouvrira ses portes en septembre 1969. Cet institut décernera des diplômes. Un étudiant d'un autre cours pourra suivre des cours à cet institut pour compléter son curriculum. Ce programme sera ouvert à tous les étudiants et espérons que ces 200 étudiants dont vous parliez deviendront petit à petit, 205, 210, etc, plusieurs d'entre eux suivront ce cours. C'est la première université qui ait une faculté d'études indiennes.

Le président: Monsieur Southam.

M. Southam: Merci, monsieur le président. Je serai bref parce qu'un bon nombre de mes questions ont déjà été posées par d'autres.

[*Text*]

I do appreciate Mr. Currie's discourse here this morning. To me it was very interesting and informative and, judging from the comments that have gone on, it has been more or less provocative. As a member of the Committee in my travels in the North, I was interested in listening to some of the briefs and representations that were made to us by the Eskimo people. One of the problems there—and I think it is similar to some of the problems we have here in the southern part of Canada among the Indian people—is the sociological gap that was developing between the parents and the children because of the children's advance in education. The suggestion came to us that we should be emphasizing the problem of adult education even more among our Indian and Eskimo people than we do among our own whites. Do you hold this to be true?

Mr. Currie: Definitely. I think the simplest example is that if a father reads a son will learn to read.

Mr. Southam: You have put quite a bit of stress on the controversy on the cultural conflict between the whites and the Indians. This, of course, would exist not only between the Indian children and the white children but between the Indian adults and the white adults. I think you are suggesting a reversal of our present academic system, as far as educating Indians is concerned, in emphasizing more of the culture and ethnic background of the Indian. Would you suggest that we could have a joint education program in which both the adult and the child could be brought?

Mr. Currie: I see no difficulty with this at all if you have good teachers.

Mr. Southam: You are suggesting this.

Mr. Currie: Oh, yes. I would say this would be a solid way to do it. Why not educate the child and the parent?

Mr. Southam: In other words, there would be gradual progress in eliminating the culture gap between their age levels.

Mr. Currie: No parent likes to have a kid who is smarter than he is.

Mr. Southam: As I say, this is one of the things that were very much emphasized in the North.

I was interested in the question of more Indian teachers which Mr. Dinsdale put to you a few minutes ago and which came from your suggestion about the cultural conflict between the white and the Indian. Is there enough emphasis being put on thes training of Indians to follow this vocation? I think this might be one of the solutions to this whole problem.

[*Interpretation*]

Je suis très heureux que nous ayons pu entendre M. Currie ce matin. Il nous a fait un exposé extrêmement précieux et utile, énoncé toutes sortes d'idées qui nous laissent réfléchir. Au cours de mes voyages dans le Nord à titre de membre du comité, j'ai été interessé par certains mémoires présentés par les Esquimaux. Un de leurs problèmes qui ressemble à certains problèmes dans le Sud du Canada chez les Indiens, c'est l'écart, sociologique qui existe entre les générations parce que les enfants ont reçu une meilleure éducation. On nous disait notamment que nous devrions peut-être accorder plus d'importance, à l'éducation des adultes indiens et esquimaux que chez les blancs. Croyez-vous que cela soit vrai?

M. Currie: Oui. Si le père lit, l'enfant apprendra à lire. Vous disiez qu'il y a un conflit entre le Blanc et l'Indien.

M. Southam: Vous avez beaucoup appuyé sur le conflit culturel qui existe entre les Indiens et les blancs. Cela existe non seulement entre l'enfant indien et l'enfant blanc, mais entre l'adulte indien et l'adulte blanc. Je crois que vous préconisez un renversement du système scolaire actuel, sur le plan de l'éducation des Indiens, un programme en mettant plus l'accent sur le passé culturel et ethnique de l'Indien. Proposez-vous un programme conjoint d'éducation qui pourrait intégrer l'adulte et l'enfant?

M. Currie: Je n'y vois aucune difficulté, si vous avez de bons professeurs.

M. Southam: Vous le préconisez.

M. Currie: Ce serait une excellente façon de le faire. Pourquoi n'éduquerait-on pas l'enfant et les parents?

M. Southam: Autrement dit, il pourrait y avoir une élimination graduelle du passé culturel entre les niveaux d'âge.

M. Currie: Aucun père de famille n'aime que son enfant soit plus fin que lui.

M. Southam: Comme je le dis c'est une des choses sur laquelle on a beaucoup appuyé dans le Nord. J'ai été intéressé par les questions de monsieur Dinsdale relatives à l'augmentation du nombre des professeurs après que vous ayez parlé du conflit culturel entre les Blancs et les Indiens. Est-ce que l'on pousse les Indiens à devenir professeurs? Ce serait l'une des solutions de ce problème.

[*Texte*]

Mr. Currie: I think it would be very good step in the right direction but we must also be careful what we mean by a teacher. Are we going to insist that these teachers have the same qualifications in training? How much are we going to insist upon it? If we educate the individual too well to become a teacher we may ruin the potential and maybe sometimes we should take people without giving them too much training and use a bit more of the raw material. It is a dangerous thing, but both sides have merits.

An hon. Member: Are you talking about teachers' aides?

Mr. Currie: In a sense, yes.

● 1250

Mr. Southam: With respect to the types of education as we know them in the white culture, when children in any ethnic group reach a certain stage—and this has been a fact from time immemorial—some go on into higher education and professional areas, whereas others become more adept at vocational type training. By virtue of the fact that our Canadian Indians lived off the land, had to learn how to fish and hunt, use their hands, imagination and their ingenuity to provide tools in order to survive, are they more adaptable to a vocational type of training or do you think there are enough people in the Indian society to follow academic and professional type training? What is the tendency there?

Mr. Currie: I would like to answer your question by changing it to: "Is the system capable of adapting to the need of these People?" We should not aim a person at a system. We should aim the system at the person. We should educate a student so that he will choose from any number of opportunities available to him. We will not predetermine what he can or may do. Instead, we will do everything possible to educate this individual as a human being and provide him with all opportunities.

You mentioned, for example, the academics perhaps not being their bent. How do we really know? What do we mean by "This person has an academic bent?" I do not know. I do not think anybody else really does. In the past we have always assessed it on an IQ basis: the top 10 per cent of every class will be our academic stars; the other 90 per cent, "Well, we will find something for them". This has been an unfortunate situation in education.

The young people are saying today that this has not been good enough, it is not good enough, and it will not be good enough. We must change the system so that we educate individuals and, at the same time, provide for them a multitude of doors through which

[*Interprétation*]

M. Currie: Cela constituerait un progrès mais il faut savoir ce que l'on entend par un professeur. Allon-nous insister pour qu'ils aient les mêmes titres et qualités? Quel accent allons-nous y donner? Si nous donnons une trop bonne formation de professeur, nous ruinons peut-être son potentiel. Parfois on ne devrait peut-être pas pousser leur formation trop loin et nous servir de ses possibilités. C'est très dangereux, mais les deux solutions sont méritoires.

Une voix: Parlez-vous des aides professeurs?

M. Currie: D'une certaine manière, oui.

M. Southam: En ce qui concerne les types d'éducation que l'on connaît dans les cultures de blancs, quand les enfants d'un groupe ethnique quelconque atteint un certain stade, comme cela existe de temps immémorial, quelques-uns visent des études supérieures et des domaines professionnels, d'autres s'adaptent mieux à la formation de métiers. Étant donné que les Indiens ont toujours vécu à la limite des terres, qu'ils ont dû apprendre à chasser, à pêcher, à se servir de leur habilité manuelle, de leur imagination et de leur ingénuité pour inventer des outils pour survivre, est-ce qu'ils s'adaptent mieux aux métiers ou vous croyez qu'il y a assez de gens dans la société indienne, pour poursuivre des études supérieures et professionnelles. Quelle est la tendance?

M. Currie: Changeons la question pour y répondre. Le système est-il capable de s'adapter aux besoins des gens? Nous ne devrions pas intégrer un individu à un système, mais plutôt adapter le système à l'individu. Nous devrions éduquer une personne pour qu'elle puisse choisir parmi toutes les possibilités qui s'offrent à elle. Il ne faut pas déterminer à l'avance ce qu'ils peuvent faire et ce qu'ils feront. Au fond, nous devrions faire tout en notre possible pour adresser à un individu comme à un être humain, et pour lui offrir toutes les occasions de vivre.

Vous dites, par exemple, que les professions libérales ne sont peut-être pas leur fort. Comment pouvons-nous le savoir? Qu'est-ce qu'on veut dire par «cette personne a des aptitudes intellectuelles»? Je ne le sais pas et personne ne le sait d'après moi. Autrefois, on se basait toujours sur le quotient intellectuel. Si c'est 90 p. 100, très bien. Les premiers 10 p. 100 de la classe étaient nos lumières intellectuelles, les autres 90 p. 100, nous leur trouverons quelque chose. C'est une période noire de l'éducation.

Les jeunes disent aujourd'hui que cela n'a pas donné de résultats satisfaisants, que ça ne suffit pas et que cela ne sera pas mieux demain. Nous devons changer le régime pour enfin en faire des individus et en même temps, leur ouvrir une foule de portes qu'ils

[*Text*]

they may choose to pass; and we must also provide for children the opportunity of failure.

Mr. Southam: In effect, Mr. Currie, you are suggesting that the present academic type or white man's form of education is not as practical for the Indian as it should be; in other words, we should perhaps develop another form of educational system for the Canadian Indian to help him reach his maximum in our society. Is this what you are saying?

Mr. Currie: No, I am saying that the education offered to any child, be he Indian or not, should meet the needs of that child. This is what we as educators espouse. We talk about it all the time but we do not do it. I am saying the needs of these Indian children are cultural, social and emotional, but they are all Indians, and this is where we are missing the boat. We are trying to give to them the same educational opportunities as a non-Indian child has, understands, and in most cases accepts.

Mr. Southam: I have always espoused the principle that as a federal government it is our basic responsibility to develop the human resource. This is the basic resource in our country; it does not matter what ethnic group a person comes from. We do this through the medium of education. We do it through the provision of health resources and health services, and then we allow our religious organizations to step in and look after the moral and religious needs of those people. If you do that you have done everything you can do for society, and then the individual in society has to find his hown level. In other words, you are providing him with an equal opportunity according to his own abilities.

Mr. Currie: You cannot do it on an equal opportunity basis either, This is another fallacy that we go by. We say we treat everybody the same. We say we give everybody an equal opportunity. This is not good enough. There are some people in our country who need more than an equal opportunity: they need an opportunity plus; they need a compensatory type of program; they need as much as everybody else has plus a little bit more.

Mr. Southam: In other words, you are suggesting that our Indian people should have the best white man educational system provided for him, the best that we have, and then something extra. Is this what you are suggesting?

Mr. Currie: For example, the United States has been trying to do it in Operation Headstart and all the other programs throughout the States. We are trying to do it in our inter-city communities. We are doing it for example, for immigrant families coming in: we provide language classes for the students; we even provide them for the parents. We never do this for children in reserve communities.

[*Interpretation*]

décideront d'emprunter. Nous devons aussi prévoir les échecs chez les enfants.

M. Southam: En fait, vous dites que le régime d'enseignement actuel des blancs, n'est pas adapté à l'Indien? Autrement dit, nous devrions peut-être adopter un autre système pédagogique pour les Indiens du Canada afin de leur permettre d'accéder aux plus hauts rangs dans notre société? Est-ce bien ce que vous voulez dire?

M. Currie: Non. Je dis que le système d'éducation offert aux enfants, qu'il soit Indien ou non, doit répondre aux besoins de l'enfant. C'est ce que les éducateurs défendent. Nous en parlons toujours, mais nous ne le faisons pas. Les besoins de ces Indiens sont d'ordre culturel, social et émotif, mais ce sont tous des Indiens et c'est là que nous manquons le coche. Nous cherchons à leur donner les mêmes chances d'enseignement que les non-Indiens ont, ce qu'il comprend et dans la plupart des cas, ce qu'il accepte.

M. Southam: J'ai toujours préconisé que le gouvernement fédéral avait comme tâche primordiale de développer le potentiel humain. C'est son rôle dans notre pays. Peu importe le groupe ethnique auquel la personne appartient. Nous le faisons par l'éducation, par les ressources et services, ensuite l'hygiène, et nous permettons aux organismes religieux d'y aller et de s'occuper des besoins moraux et religieux de ces gens. Si vous le faites, vous avez fait tout ce que vous pouviez pour la société et l'individu doit ensuite trouver son propre palier. Autrement dit, vous lui donnez les chances qui correspondent à ses aptitudes.

M. Currie: On ne peut pas le faire sur une base égale. C'est une autre utopie que nous soutenons. Nous disons que nous traitons tout le monde sur un pied d'égalité, que nous offrons à chacun des chances égales. Cela ne suffit pas. Certaines personnes ont besoin d'un peu plus d'occasions que d'autres, d'un programme spécialement adapté à leurs besoins. Ils ont besoin d'autant d'attention que d'autres, et même d'un peu plus.

M. Southam: Autrement dit, vous dites que les Indiens devraient avoir tout ce que le Blanc a de mieux sur le plan éducatif et même plus, n'est ce pas?

M. Currie: Ainsi, les États-Unis, l'ont tenté avec l'«*Operation Headstart*» et tous les autres programmes au pays. Nous essayons de le faire entre les villes pour les familles d'immigrants reçus. Nous offrons des cours de langues pour les étudiants et même pour les parents. Nous ne l'avons jamais fait pour les Indiens des réserves.

[*Texte*]

[*Interprétation*]

● 1255

Mr. Southam: Do you suggest that this should be the responsibility of the provincial Department of Education or the federal Department of Indian Affairs and Northern Development, or is it a combination of both?

M. Southam: Pensez-vous que le ministère provincial de l'éducation ou le ministère fédéral des Affaires Indiennes et du Nord canadien ou les deux à la fois devraient s'en occuper?

Mr. Currie: Personally, speaking as an individual, I would say that the province has been remiss in not banging on the door of the Prime Minister of this country, whichever party is in power, and insisting upon the rights of the province to educate the people of the province.

M. Currie: Personnellement, je crois que la province a négligé de fermer la porte du premier ministre du pays, quelque soit le parti au pouvoir, et pour insister sur les droits de la province à éduquer les gens de la province.

Mr. Southam: Thank you, Mr. Chairman.

M. Southam: Merci, monsieur le président.

Mr. Borrie: Mr. Southam mentioned something that interests me very much. He was talking about the sociological gap between the parent and the child. It seems to me that there is also a sociological gap between the highly educated and the less educated Indian. It seems to me that those who are highly educated are very impatient with the people they have left behind. This may be a sweeping statement to make, but would you agree with this?

M. Borrie: Monsieur Southam a parlé de ce qui m'intéresse particulièrement, l'écart sociologique entre les enfants et les parents. Il me semble qu'il y a aussi un fossé sociologique entre les Indiens très instruits et ceux qui le sont moins. D'après ce que je vois, les Indiens très instruits ont un certain mépris à l'égard des autres? C'est peut-être une déclaration par trop absolue, mais êtes-vous d'accord?

Mr. Currie: I have seen it and I have heard it.

M. Currie: Je l'ai vu et entendu.

Mr. Borrie: It bothers me quite a bit, really, to hear some of the well educated leaders speaking on behalf of those they have left behind and are really no longer cognizant of the situations and the developments in their own community.

M. Borrie: Cela me rend mal à l'aise vraiment, d'entendre des chefs bien instruits parler au nom de ceux qu'ils ont laissé derrière eux et qui ne connaissent déjà plus la situation et les transformations dans leur propre communauté.

Mr. Currie: I have heard and I have seen this evidence, but again I pass it off as meaning that he needs learning and that in time he will understand. It is the strongest and the best who must make the greatest adjustments to help those who need this kind of support.

M. Currie: Je l'ai entendu et je l'ai vu, mais je me disais qu'il allait apprendre et comprendre avec le temps. C'est le meilleur et le plus instruit qui doit faire le plus d'effort pour aider ceux qui ont besoin de cette sorte d'appui.

Mr. Borrie: Quite frankly, I think you are to be complimented, because you have not gone too far beyond the people you were brought up with.

M. Borrie: Franchement, vous méritez des compliments, parce que vous êtes au dessus des gens de votre milieu.

Mr. Currie: I am a teacher.

M. Currie: Je ne suis qu'un professeur.

Mr. Borrie: Thank you very much.

M. Borrie: Merci.

The Chairman: I have a couple of questions which I have been saving for you, Mr. Currie. You mentioned earlier that you felt it was preferable to have the initial years of schooling done on or very close to reserves so the children could stay at home or not have to travel too far. What is the transition level here that you recommend? Is it Grade 7, Grade 8 or Grade 9?

Le président: Il y a plusieurs questions encore que j'avais réservées pour la fin. Monsieur Currie, vous disiez plutôt que vous croyiez qu'il était préférable de donner les premières années scolaires à la réserve ou très près car l'enfant pourrait rester chez lui ou ne pas trop voyager. Quel niveau de transition proposez-vous? La 7ième, 8ième ou 9ième année?

Mr. Currie: Yes, somewhere in there.

M. Currie: Oui, à peu près.

The Chairman: But you are not going to tie yourself down?

Le président: Mais vous n'allez pas vous engager?

[*Text*]

Mr. Currie: No. I would say that this depends upon the community. For example, the Sarnia reserve is virtually in the middle of town. The big reserves of Vancouver are within greater Vancouver. However, in communities in the north, where you have to take children away from home for 10 months, this is rough. It varies with what the parents may want or may accept.

The Chairman: We heard testimony in sessions earlier this week and last week from members of the Department of Indian Affairs that it has been the policy of the Department for a number of years now—in fact, I think they indicated 20 years—that the long-term objective of the Department is to get completely out of education and turn it all over to the provinces.

You have indicated this morning in your testimony that this is not entirely a desirable objective in your view. You indicated, as I understood your testimony, that some over-all guidance from the Department of Indian Affairs was still necessary. Perhaps you could indicate now what your feeling is about what appears to be, and, according to the testimony we received is, the long-term objective of the Department to get completely out of education. What is your view on this?

Mr. Currie: I think there is a responsibility for provincial governments to assume the education of all people of the province. The Department of Indian Affairs has been involved in something which in some cases was never written into any treaty. It is something that they have seemingly assumed and now they are stuck with it and cannot get rid of it.

● 1300

There is a financial matter concerned with this. There is also the feeling of the Indian people, and I think the best example of it was when the chap from Alberta raised a question at the school committee's meeting in Hamilton last week and asked, "If we get involved with the province, we lose our treaty rights? "

I would caution that whatever is done should be done only after there has been a thorough conference and consultation with the Indian people concerned. They must choose. As I said before, this must not be simply a changing of bureaucracy, that is all.

The Chairman: I do not know whether other members of the Committee did, but I got the distinct impression that in the Department's desire to turn over education to the province—I would be overstating the case to say that they want to wash their hands completely of the students once they are turned over to the provincial education system—there seems to be a drawing-back from their responsibilities for the students once they are turned over to the provincial

[*Interpretation*]

M. Currie: Non. Je dirais que cela dépend de la collectivité. Par exemple, la réserve à Sarnia se trouve presque au milieu de la ville. Les grandes réserves de Vancouver font partie du Vancouver métropolitain. Mais dans les collectivités septentrionales où il faut déplacer les enfants pendant dix mois, c'est dur. Cela dépend de ce que les parents désirent ou acceptent.

Le président: Nous avons entendu des témoignages au cours de la semainde et la semaine dernière notamment, des fonctionnaires du ministère des Affaires indiennes qui indiquaient que le ministère applique depuis bien des années, depuis 20 ans, je crois, la ligne de conduite à l'effet que l'objectif à longue échéance du ministère, était de sortir du domaine de l'éducation et céder ces questions aux provinces.

Vous nous disiez, ce matin, qu'il n'est pas tout à fait souhaitable, parce que certaines directives générales du ministère des Affaires indiennes et du Nord canadien, étaient encore nécessaires. Vous pourriez peut-être nous dire quel est d'après le témoignage reçu, l'objectif à long terme du Ministère pour se retirer du domaine de l'éducation. Quelle est votre opinion?

M. Currie: Je crois que les gouvernements provinciaux doivent se charger de l'enseignement de tous les gens de la province. Le ministère des Affaires indiennes s'est chargé de choses qui parfois, ne découlaient pas des traités. C'est quelque chose qu'il semble avoir assumé et maintenant il l'a sur les bras et ne peut s'en débarrasser. Il y a une question de finance dans tout cela. Il y a aussi le sentiment des Indiens, et je crois que le meilleur exemple de cela a été lorsque le monsieur de l'Alberta a soulevé la question à la réunion des Comités scolaires à Hamilton la semaine dernière et qu'Il a demandé: «Si nous avons à faire avec la province, est-ce que nous perdons nos droits acquis par traité? »

Il faut, à mon avis, que tout ce qui serait fait ne doit l'être qu'après consultation sérieuse avec les Indiens intéressés. Ils doivent choisir. Comme je l'ai dit auparavant ça ne doit pas être simplement un changement d'appareil bureaucratique. C'est tout.

Le président: J'ai le sentiment très clair, je ne sais pas si les autres membres du Comité ont le même sentiment, que le désir du ministère de céder l'instruction aux provinces,—j'exagèrerais en disant que le ministère veut se laver les mains des étudiants, une fois qu'ils relèveront du système d'éducation provincial—il semble y avoir une soustraction des responsabilités des étudiants une fois que ces derniers sont confiés au système provincial. On nous a dit, par exemple, que le

[*Texte*]

system. We were told, for example, that they do not keep statistics on the drop-out rate of Indian students from the provincial school system, whether they are treaty Indian or non-treaty Indians. They do not keep these statistics. This amazed me. I wonder if you, in your experience with the Ontario Department of Education, have come across similar examples of a tendency on the part of the Department to more or less, once they are in the provincial system, stand back and let the chips fall where they may.

Do you find this? Is this a correct impression that I have, or is this a mistaken impression? Have you found this happening?

Mr. Currie: I would say fundamentally there is not enough involvement on the part of the Department with the provincial systems, whether those children are being brought into school from a residence or whether they are being brought in to attend high schools. There is a great involvement as far as the physical well-being of the child or the student is concerned. But we must remember that a child does not live by bread alone. The Department has failed I think in too many cases to realize the social and emotional needs of these young people and to maintain a close liaison with the school system, the teachers, and the community from which the child comes.

The Chairman: We were told there was a counselling system in effect by which the Department of Indian Affairs was able to keep a tab on the progress of each student, even in the provincial system. Is this an operative thing? Is it there in theory but in fact not really operative?

Mr. Currie: I think for one thing that the workload of these counsellors is exorbitant and foolish. I think also that they do not have the best counsellors that they could have for these children.

The Chairman: How many would they have? What is the ratio between counsellors and students in Ontario? Would you have any idea?

Mr. Currie: From what I can understand, they have approximately 100 to 1. When you are putting a child into a home and he is living with a family which has no awareness of his background and you are looking after his every need, this is too much. And yet a counsellor, if he is going to be a good counsellor, has to be available at his telephone 24 hours a day, seven days a week. This is what some of these children need. For example, the kid in Kenora who suddenly finds himself in jail—whom does he call? His landlady cannot go to bat for him. The only person he can call is his counsellor. But his counsellor is out of town. And this has happened this past winter in Kenora and this happens quite often across the country.

[*Interprétation*]

ministère ne tient pas de statistiques sur le taux de déchets scolaires des indiens du système d'éducation provincial, que ce soit des Indiens des traités ou non. Ils ne tiennent pas ces statistiques. Cela m'a stupéfait. Je me demande si d'après votre expérience au ministère ontarien de l'Éducation, vous avez rencontré une tendance semblable du ministère, une fois que les élèves sont intégrés au système provincial, de se reposer et de laisser les choses au petit bonheur la chance.

Avez-vous trouvé cela? Est-ce une impression juste ou fausse? Avez-vous remarqué que cela se produisait?

M. Currie: A mon avis, fondamentalement, le ministère ne participe pas suffisamment aux systèmes provinciaux, que ces enfants soient amenés à l'école d'une résidence ou pour suivre l'école. Il y a un rôle important a jouer du côté du bien-être physique de l'enfant ou de l'étudiant. Mais n'oublions-pas qu'un enfant ne vit pas de pain seulement. A mon avis, le ministère a, trop souvent, semblé oublier les besoins sociaux et émotionnels de ces jeunes gens et omis d'entretenir des relations étroites avec le système scolaire, les instituteurs et la collectivité d'où l'enfant vient.

Le président: On nous a dit qu'il y avait un système d'orientation par lequel le ministère des Affaires indiennes pouvait suivre le progrès de chaque enfant, même dans le système provincial. Fonctionne-t-il réellement? Est-il là en théorie, mais n'est pas appliqué?

M. Currie: Entre autres choses, je crois que ces orienteurs sont surchargés de travail. Il me semble aussi que les orienteurs des Indiens ne sont certainement pas les meilleurs qu'on aurait pu trouver.

Le président: Combien y en-a-t-il? Quel est le coefficient entre les orienteurs et les étudiants en Ontario? En avez-vous une idée? D'après ce qu'on m'a dit, 100 pour.

M. Currie: Quand on met un jeune dans une famille qui n'a aucune idée des antécédents de l'enfant et qu'on pourvoit à tous ses besoins, je trouve que c'est trop. Et pourtant, un orienteur qui veut être à la hauteur, doit être disponible 24 heures sur 24 au téléphone, sept jours par semaine. C'est ce dont certains enfants ont besoin. Par exemple, un enfant de Kenora se retrouve en prison. Qui appelle-t-il? Pas sa logeuse. La seule personne qu'il peut appeler est son conseiller. Mais ce dernier est en dehors de la ville. Et c'est arrivé l'hiver dernier à Kenora et ça se produit très souvent dans tout le pays. A la réunion de la semaine dernière, une des recommandations du groupe des Maritimes voulait que le ministère des

[*Text*]

At the meeting last week, one of the recommendations made by the people from the Maritimes was that counsellor aides, Indians, be hired and trained by the Department of Indian Affairs to assist guidance counsellors. They felt that the Indian's assistance would be much more relevant and relative to the needs of the student.

The Chairman: Do you have any idea how these guidance counsellors are chosen or appointed? Are there many Indian people who are guidance counsellors?

● 1305

Mr. Currie: I would imagine that the London Division has one of the highest Indian percentages, and I think they have only about four guidance people. I do not know the figures, actually, but there are very few who are Indians.

The Chairman: Their relationship with the provincial system is that they are in liaison with the principal of each school in which Indian pupils are enrolled. Are they in touch with the teachers of these students?

Mr. Currie: They should be, but I doubt very much if they are. From what I can see, what they are primarily concerned with is housing and getting the child registered, and that is it.

The chairman: It is more a physical thing than anything else.

Mr. Currie: It is not social and emotional.

The Chairman: They are not, in effect, career counsellors.

Mr. Currie: They are not sociologists. And this is the kind of training they ought to have. For example, in Kenora right now, in the Ceceilia Geffray Indian Residential School, there are two children, ages 6 and 7, who go to school in the Kenora school system only a half day per day because they do not speak English and they disrupt the class.

That is not right. The Kenora system is at fault. And the reason why those children are in Kenora is at fault. It is grim.

The Chairman: Mr. Currie, the Committee visited northern communities last winter and I was a member of the committee that visited other northern communities three years ago this summer, and I have also visited on my own a number of Indian communities in Quebec. One gets the impression that large numbers of the students who are in high school now are likely to drop out before they finish high school, and you get the impression that most of them are not going to be able to go back to their reserves, and without further training be able to fit into any sort of employment that may be available near their reserves. Do you get this same impression in Ontario?

[*Interpretation*]

Affaires indiennes embauchent et forment des conseillers Indiens pour aider les orienteurs. Il croyait que l'aide d'un Indien aurait bien davantage de rapport aux besoins de l'étudiant.

Le président: Savez-vous comment ces orienteurs sont choisis? Y-a-t-il beaucoup d'Indiens comme orienteurs?

M. Currie: Je crois que la division de London a le plus fort pourcentage Indien et je crois qu'ils n'en ont que quatre. Je ne connais pas les chiffres, mais très peu sont Indiens.

Le président: Un rapport avec le régime provincial est qu'ils demeurent en liaison avec le directeur de chaque école où des Indiens sont inscrits. Sont-ils en contact avec les professeurs de ces étudiants?

M. Currie: Ils devraient l'être, mais je doute beaucoup qu'ils le fassent. D'après ce que je peux voir, ce qui les intéresse essentiellement, c'est le logement et l'inscription de l'enfant, et c'est tout.

Le président: C'est plus physique qu'autre chose.

M. Currie: Ce n'est pas social, ni émotionnel.

Le président: Ce ne sont pas de fait des conseillers de carrière.

M. Currie: Ce ne sont pas des sociologues et c'est le genre de formation qu'ils devraient avoir. Par exemple, à Kenora, actuellement; à la Ceceilia Jeffray Indian Residential School, il y a deux enfants de 6 et de 7 ans qui ne vont à l'école du système scolaire de Kenora qu'une demi-journée parce qu'ils ne parlent pas anglais et qu'ils dérangent la classe. Ce n'est pas correct. Le système scolaire de Kenora est en tort. Et la raison pour laquelle ces enfants sont à Kenora est mauvaise. La situation n'est pas brillante.

Le président: Monsieur Currie, le Comité a visité les endroits septentrionaux l'hiver passé et je faisais partie du Comité qui a visité d'autres localités du Nord, il y aura trois ans cet été, et j'ai aussi visité plusieurs centres Indiens du Québec. On a le sentiment qu'un grand nombre des étudiants qui sont à l'école supérieure quitteront l'école avant de terminer et on a l'impression que la plupart d'entre eux ne pourront retourner dans leur réserve et sans formation ultérieure, trouver n'importe quel emploi près des réserves. Avez-vous la même impression pour ce qui est de l'Ontario.

[*Texte*]

Mr. Currie: The kids who drop out for any number of reasons find themselves in a limbo. They do not fit into the non-Indian community, and when they go home they are even worse off. One high school boy said to me, "When I go home from school every June, my parents give me hell because I have forgotten the language, I have forgotten the customs, I just do not fit. By the time summer ends I am just getting back into the swing of things and back I go to school again."

The Chairman: What are we not doing in this area that we should be doing? I know this is a tremendous question.

Mr. Currie: The high school students have raised some very fine questions and I must go back to Kenora because I have run up against these kids twice this winter. They have said: "Why can't we have an Indian hostel with Indian house parents and we will set our own rules? " And, of course, every time they say they will set their own rules, this blows the roof right off, because people automatically think that they are going to have an orgy of some sort. But what they are simply stating is that they will make their own basic fundamental house rules and they will keep them with an Indian house parent.

And I think this would be a very successful move, instead of putting them into private homes because too many private homes simply take them in as borders. They do not become a part of the family, and they must become a part of the family if they are going to succeed. They need this. It is not the kind of thing that you stuff down a kid's throat but the kind of opportunity that must be there. The kids, for example, complain that at the age 18 their allowance is cut off in the Department of Indian Affairs. They are without pocket money, and without pocket money what kid can go to high school? Nobody.

The Chairman: In the provincial educational system in Ontario, have you seen any indication that the courses that are available to Indian pupils are appropriate to the type of work that is likely to be available for most of them when they finish high school or drop out of high school? Is there an awareness now, or is

• 1310

there at least a beginning of an awareness on the part of the provincial authorities, of special vocational courses and so on or vocational courses which fit in with the type of employment that is likely to be available, namely employment in the resource industries, mining, lumbering, and so on?

Mr. Currie: No, I would say not.

The Chairman: There is none?

Mr. Currie: There are programs like this in conjunction with Manpower. There are programs like this in

[*Interprétation*]

M. Currie: Ceux qui abandonnent l'école pour une raison quelconque, sont en fort mauvaise posture. Ils ne sont pas adaptés au monde extérieur et quand ils vont chez eux, c'est encore pire. Un jeune de l'école secondaire me disait: «Quand je retourne à la réserve chaque juin, je suis mal reçu par mes parents parce que j'ai oublié la langue, les coutumes, je ne cadre plus avec le milieu. A la fin de l'été, alors que je commence seulement à me réadapter, je dois retourner à l'école».

Le président: Qu'est-ce qu'on fait pas dans ce domaine et qu'il faudrait faire? Je sais que c'est une question de taille.

M. Currie: Les étudiants d'école secondaires ont soulevé des questions très pertinentes et je dois retourner à Kenora parce que j'ai rencontré ces enfants deux fois cet hiver. Ils me disaient: «Pourquoi ne peut-on pas avoir d'auberge indienne avec des responsables Indiens? Nous établirions nos propres règlements». Et, bien entendu, chaque fois qu'ils disent qu'ils établissent leurs propres règlements, cela crée un tumulte parce que tout le monde croit qu'ils vont faire des orgies! Mais ce qu'ils disent simplement, c'est qu'ils vont établir leurs propres règlements de base, avec des responsables Indiens. Ceci serait très bien, d'après moi au lieu de les mettre dans des familles individuelles, parce que trop de familles les prennent seulement comme pensionnaires. Ils ne sont pas adoptés par la famille et ils doivent s'intégrer à la vie familiale pour réussir. Ils en ont besoin. Ce ne sont pas des choses qu'on peut imposer à l'enfant, mais plutôt le genre d'occasion qui doit exister. Par exemple, les enfants se plaignent qu'à dix-huit ans, le ministère des Affaires indiennes ne leur verse plus leur allocation. Ils sont sans argent de poche et, sans argent de poche, quel adolescent peut aller à l'école supérieure? Aucun.

Le président: Dans le régime provincial d'éducation en Ontario, avez-vous constaté que les cours, que les étudiants Indiens peuvent suivre conviennent au genre de travail qui leur sera sans doute offert lorsqu'ils termineront l'école ou s'ils abandonnent? Est-ce que les autorités provinciales se rendent compte ou commencent à se rendre compte, des cours de formation professionnelle qui cadreraient avec les emplois qui seront sans doute offerts aux Indiens, en l'occurence l'industrie de matières premières, les mines, l'exploitation forestière et ainsi de suite.

M. Currie: Non, je ne crois pas.

Le président: Aucunement?

M. Currie: Il y a des programmes de ce genre menés de concert avec la Main-d'oeuvre ou avec le Program-

[*Text*]

conjunction with the Department of Education, Adult Retraining Program, but there seems to be nothing like this in high schools.

The Chairman: In effect, the Indian pupils that you have seen registered in the provincial school system are being given exactly the same type of education, whether they come from Northern Ontario or Southern Ontario, as Southern Ontario office-job-oriented white students are being given.

Mr. Currie: That is right.

The Chairman: All Indian students in Ontario are really being given the same courses as the white students and this white curriculum is pretty well based on the job opportunities system available in Toronto and in the industrialized area of Southern Ontario?

Mr. Currie: I would say, yes, and in talking with non-Indian parents in Sioux Lookout for example, they have the same unhappiness. I asked them these same questions and they said, "Well, our kids are going to leave us because there is nothing here for them." This is where the social and economic problem becomes rampant.

Education in too many cases is not relative to the community and the community is not relative to education.

The Chairman: Basically, in your experience there does not seem to be any effort on the part of the Department of Indian Affairs and Northern Development through negotiations with the provincial departments who are directly concerned with educating these Indian pupils in the provincial system? There does not seem to be any direct effort on their part to have the curriculum fit the employment situation which exists in the areas where most of these people will be returning?

Mr. Currie: I would say none.

The Chairman: Therefore, the conclusion what one is forced to draw if this is the situation is that the system as it exists now, as you said yourself earlier, is simply perpetuating the welfare system which is afflicting so many of our Northern communities.

Mr. Currie: That is correct.

The Chairman: What we are doing now is not opening any doors which would lead away from this situation?

Mr. Currie: That is correct. The education we give Indian children today leaves two choices: You continue an education and the further you go in education the further you go from your home, your people,

[*Interpretation*]

me de recyclage des adultes du ministère de l'Educa tion, mais on ne trouve rien de semblable dans le écoles supérieures.

Le président: Les étudiants Indiens qui sont inscrit dans le régime scolaire reçoivent exactement la mêm instruction qu'ils viennent du nord de l'Ontario, qu les étudiants blancs du sud de l'Ontario qui devien dront employés de bureau.

M. Currie: C'est exact.

Le président: Tous les étudiants Indiens de l'Ontari reçoivent les mêmes cours que les Blancs et l programme pour les Blancs est passablement axé su les perspectives d'emploi à Toronto et dans le sud d l'Ontario qui est industrialisé?

M. Currie: Oui, et en parlant avec les parents blanc à Sioux Lookout, par exemple, ils sont tout auss malheureux. Je leur ai posé les mêmes questions, et il me disent «Nos enfants vont nous quitter parce qu' n'y a rien pour eux ici.» A ce moment-là, le problèm social et économique se pose. Trop souvent, l'instruc tion scolaire n'a pas de rapport avec la localité e vice-versa.

Le président: Fondamentalement, d'après votr expérience, le ministère des Affaires Indiennes et d Nord canadien ne semble pas faire d'efforts en négociant avec les ministères provinciaux qui son directement touchés par l'éducation de ces élève Indiens dans le système provincial? Il ne semble pa faire d'effort direct pour conformer le programme à l conjoncture ouvrière existant dans les endroits où l plupart de ces gens retourneront?

M. Currie: Je ne crois pas.

Le président: Par conséquent, la seule conclusion qu'on doit forcément tirer de cette situation, c'est que le système actuel, comme vous l'avez dit vous-même plus tôt perpétue simplement le système d'assistance publique qui afflige tant de nos localités septentrio nales.

M. Currie: C'est exact.

Le président: Ce que nous faisons maintenant n'ouvre pas les portes qui permettraient de sortir de cette situation?

M. Currie: Exact. L'éducation donnée aux enfants Indiens aujourd'hui laisse deux choix: Il poursuit son instruction et plus il étudie, plus il s'éloigne de son milieu et de sa localité, ou bien il abandonne et

[*Texte*]

and your community, or you drop out and go back. This is a lousy choice to offer a kid.

The Chairman: We thank you, very much, Mr Currie. Are there any further questions for Mr. Currie this morning?

An hon. Member: There are many more questions but we have run out of time.

The Chairman: Thank you, Mr. Currie, for a most informative session with us this morning. Your testimony was moving and I know it made a very deep impression on all members of the Committee.

Mr. Currie: Thank you, very much.

The Chairman: The meeting stands adjourned.

[*Interprétation*]

retourne à son milieu. Ce n'est pas un choix à offrir à un enfant.

Le président: Nous vous remercions, monsieur Currie. Avez-vous des questions supplémentaires à poser à monsieur Currie ce matin?

Une voix: Il y en a beaucoup d'autres, mais nous n'avons plus le temps.

Le président: Merci, monsieur Currie, pour une séance des plus instructive ce matin. Votre témoignage a été émouvant et je sais qu'il a créé une très profonde impression sur tous les membres du Comité.

M. Currie: Merci beaucoup.

Le président: La séance est levée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

Government Publications

OFFICIAL BILINGUAL ISSUE

HOUSE OF COMMONS

First Session

Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL

CHAMBRE DES COMMUNES

Première session de la

vingt-huitième législature, 1968-1969

STANDING COMMITTEE ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

LIBRARY JUL 23 1969 UNIVERSITY OF TORONTO

MINUTES OF PROCEEDINGS AND EVIDENCE

PROCÈS-VERBAUX ET TÉMOIGNAGES

No. 29

TUESDAY, JUNE 3, 1969

LE MARDI 3 JUIN 1969

Respecting

The Annual Report (1967-68) of the Department of Indian Affairs and Northern Development.

Concernant

Le Rapport annuel (1967-1968) du ministère des Affaires indiennes et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

STANDING COMMITTE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman Mr. Ian Watson *Président*

Vice-Chairman Mr. Paul St-Pierre *Vice-Président*

and Messrs. et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
Dinsdale,
Gundlock,
Kaplan,
Laprise,
Marchand
(*Kamloops-Cariboo*),
Nielsen,
O'Connell
Orlikow,
Orange,
Simpson,
Smerchanski,
Southam,
Thomson
(*Battleford-Kindersley*),
Yewchuk—(20).

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Text*]

MINUTES OF PROCEEDINGS

TUESDAY, June 3, 1969.
(31)

The Standing Committee on Indian Affairs and Northern Development met this day at 11.25 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Dinsdale, Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Orange, Watson—(7).

Also present: Mr. Buchanan, Member of Parliament.

Witnesses: From the Ontario Institute for Studies in Education; Dr. G. L. McDiarmid and Dr. H. G. Narrol.

The Committee continued consideration of the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year 1967-68.

On motion of Mr. Orange, it was

Agreed,—That the matter of the low water levels in the Mackenzie River System and it economic and other consequences be referred to the Subcommittee on Agenda and Procedure.

On motion of Mr. Marchand (*Kamloops-Cariboo*), it was

Agreed,—That Dr. McDiarmid and Dr. Narrol be paid reasonable travelling and living expenses.

The Chairman introduced the witnesses. Both made statements and were questioned.

At 1.20 p.m. on motion of Mr. Marchand (*Kamloops-Cariboo*), the Committee adjourned to the call of the Chair.

[*Traduction*]

PROCÈS-VERBAL

LE MARDI 3 juin 1969.
(31)

Le Comité permanent des affaires indiennes et du développement nord canadien se réunit à 11 h. 25 ce matin, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Dinsdale, Laprise, Marchand (*Kamloops-Cariboo*), O'Connell, Orange et Watson—(7).

De même que: M. Buchanan, député.

Témoins: De l'Ontario Institute for Studies in Education: MM. G. L. McDiarmid et H. G. Narrol.

Le Comité reprend l'étude du Rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1967-1968.

Sur une motion de M. Orange,

Il est convenu,—Que la question du faible niveau des eaux dans le système hydrique du fleuve Mackenzie et ses consequences économiques et autres soit renvoyé au Sous-comité de l'ordre du jour et de la procédure.

Sur une motion de M. Marchand (*Kamloops-Cariboo*),

Il est convenu,—Que l'on verse une indemnité de voyage et de séjour à MM. McDiarmid et Narrol.

Le président présente les témoins. Ils présentent chacun un exposé et on les interroge.

A 13 h. 20, sur une motion de M. Marchand (*Kamloops-Cariboo*), le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

20461—1½

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Tuesday, June 3, 1969

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

le mardi 3 juin 1969

• 1123

The Chairman: Gentlemen, I call the meeting to order. We will resume consideration of the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year 1967-68. The subject before the Committee this morning is education of Indians. We are pleased to have with us as witnesses: Dr. G. L. McDiarmid, from The Ontario Institute for Studies in Education, and Dr. Harvey G. Narrol, from The Ontario Institute for Studies in Education. I will give you the background of these two gentlemen who we were most fortunate in being able to persuade to come before the Committee this morning.

Le président: Messieurs, à l'ordre! Nous allons étudier le rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1967-1968. Ce qui va faire l'objet à l'étude ce matin, c'est l'éducation des Indiens.

Il nous fait plaisir d'accueillir comme témoins: M. G. L. McDiarmid, de l'*Ontario Institute for Studies in Education* et le docteur Harvey G. Narrol, qui est aussi du même institut. Je vais vous donner l'historique de ces deux messieurs. Heureusement, nous avons pu les persuader de venir témoigner ce matin.

Dr. McDiarmid who was born in Welland, Ontario, was Personnel Manager, United Steels Corporation, Welland in 1942 and a pilot in the RCAF, 1943-46. He received his B.A. from Queen's University in 1951, and was a principal and teacher of Ontario schools from 1961 to 1962. He was President of the Ontario Public School Men Teachers' Federation, 1961-62 and received an M.A. and Ph.D. from Syracuse University from 1962 to 1966 in Curriculum Foundations. Dr. McDiarmid has conducted research for United States Department of State, Agency for International Development on certain aspects of the administration of agricultural development in underdeveloped countries, 1963-1965.

M. McDiarmid est né à Welland, Ontario, a été gérant du personnel de la *United Steel Corporation* à Wellland en 1942 et il a été pilote dans l'ARC de 1943 à 1946. Il a reçu un baccalauréat es arts de l'Université Queens, en 1951 et a été directeur et professeur dans les écoles de l'Ontario de 1961 à 1962. Président de la Fédération des professeurs et des enseignants de la province d'Ontario, a reçu sa licence de l'Université de Syracuse sur la base des programmes d'étude. Il a fait des recherches pour le secrétaire d'État des États-Unis dans leur organisme pour le développement international dans les pays en voie de développement en 1963 et 1965.

• 1125

He designed and conducted a teacher training program for Peace Corps trainees at Dartmouth College, New Hampshire. He has taught graduate and undergraduate courses at Syracuse and is presently teaching graduate courses in the Ontario Institute for Studies in Education. He has published articles on the teaching of science, on certain aspects of the sociology of education, the administration of agricultural education in underdevelopped countries and in addition to his work in Indian education, he is conducting an analysis of social studies textbooks presently authorized for use in Ontario, as a joint project with the Ontario Human Rights Commission.

Il a conçu et effectué un programme de formation enseignante pour le *Peace Corps* au collège Dartmouth au New Hampshire. Il a enseigné des cours aux niveaux universitaire et post-universitaire à Syracuse et donne présentement des cours post-universitaires au *Ontario Institute for Studies in Education.* Il a publié des articles sur l'enseignement de sciences, certains aspects de la sociologie de l'éducation et de l'éducation des pays en voie de développement en plus du travail qu'il fait concernant l'éducation des Indiens, il est à faire une étude sur la sociologie de concert avec la Commission des droits de l'homme de l'Ontario.

[*Text*]

Dr. Narrol received his B.A., majoring in psychology, from the University of Toronto in 1954 and his doctorate in clinical psychology from Indiana University in 1963. Then he took a post-doctoral internship in appplications of operant conditioning to human behavior problems at the Institute of Psychiatric Research, Indiana University School of Medicine, 1963-1966. During this time, he was also Assistant Professor on the faculty of the I.U. School of Medicine. While completing doctoral work, 1959-1963, he was Chief Psychologist on the Neuro-psychiatric services of Marion County General Hospital in Indianapolis. On returning to Toronto, he took up a joint appointment as Associate Professor of Education and Psychology at OISE and Senior Psychologist at the Clarke Institute of Psychiatry. During this time, the major work involved setting-up and developing a Behavior Modification Unit for preschool autistic children, where graduate students from OISE were trained to use learning therapies with exceptional children.

Presently he is working full-time at OISE in the Department of Applied Psychology and extending Behavior Modification systems for use in school classrooms for normal and exceptional children. Dr. Narrol continues to consult at the Clarke Institute regarding the growth and maintenance of the Behavior Modification Unit. His publications include *Applications of Teaching and Training Methods to Problems of Education, Alcoholism, and Mental Health.* We are very pleased to have you gentlemen here with us today.

Mr. Orange: Mr. Chairman, on a point of order. This concerns the matter I discussed with you prior to the meeting. I am just wondering whether it would be appropriate to raise it now or towards the end of the meeting?

The Chairman: I think you should raise it now, Mr. Orange.

Mr. Orange: Mr. Chairman, I apologize to the two witnesses for cutting in on them at this time, but I have just returned from the North and I think the Committee should be aware of what I consider to be an extremely dangerous situation with regard to water levels on the Mackenzie River. Briefly, the water levels on the Mackenzie River and Great Slave Lake have fallen to a point where at the moment Northern Transportation are unable to get their barges on the Mackenzie River. The Providence ferry connecting the Mackenzie Highway with Yellowknife has been unable to run for the last 10

[*Interpretation*]

Le docteur Harvey G. Narrol a reçu son baccalauréat es arts avec concentration en psychologie de l'Université de Toronto en 1954 et son doctorat en psychologie clinique de l'Université d'Indiana en 1963. Il a suivi son internat post-doctoral dans l'application du conditionnement des comportements quant aux problèmes de comportement à l'Institut de recherche psychiatrique de l'Université de l'Indiana. En même temps, il était professeur adjoint de la faculté de l'École de médecine de l'Université d'Indiana. Pendant qu'il faisait son travail doctoral, il était psychologue en chef des services neuro-psychiatriques de la *Marion County General Hospital* à Indianapolis. A son retour à Toronto, il a été nommé professeur adjoint de la psychologie d'éducation à OISE et psychologue sénior de la *Clarke Institute of Psychiatry.* Pendant ce temps, il s'est occupé de l'établissement et de la mise au point de travail dans une unité pour la modification du comportement pour les enfants exceptionnels.

A l'heure actuelle, il travaille à plein temps au ministère de la psychologie appliquée et de la modification du comportement et de son application aux classes scolaires des enfants normaux et exceptionnels et continue d'agir comme exeprt-conseil au *Clark Institute* concernant la croissance et le maintien de l'unité de modification du comportement.

Il a publié l'application des méthodes d'enseignement et la formation aux problèmes d'éducation d'alcoolisme et de santé mentale. Il nous fait bien plaisir d'avoir ces messieurs avec nous, aujourd'hui.

M. Orange: J'en appelle au Règlement, monsieur le président. Avant l'assemblée, avant la réunion j'ai soulevé quelque chose et je me demande si on devrait y revenir immédiatement ou en parler plus tard?

Le président: Je crois que vous devriez le soulever maintenant, monsieur Orange.

M. Orange: Monsieur le président, je m'excuse auprès des témoins d'avoir interrompu leur déclaration, mais je viens de revenir du Nord et je crois que le Comité devrait être au courant d'une situation que je crois très dangereuse, au sujet du niveau de l'eau du fleuve MacKenzie. Le niveau de l'eau de la Rivière Mackenzie et du Grand lac des Esclaves a baissé à un tel point que la *Northern Transportation* ne peut faire naviguer ses chalands sur le fleuve. Le traversier *Providence* qui relie l'auto-route Mackenzie à Yellowknife ne peut faire la navette depuis dix jours à cause du niveau de l'eau. Les réper-

[*Texte*]

days because of the low water levels and the ramifications of this, particularly with all of the traffic to be carried on the river this year, could be disastrous, if the situation continues.

Many reasons have been presented as to why the situation exists, such as the use of the water in the Peace River, which ultimately flows into the Mackenzie, by Mr. Bennett plus low run-off this year, and the way the breakup took place. I think our concern as a committee is to be aware of the situation, and the future ramifications and the alternatives which we will face if this situation continues. The problem at the moment is that no one seems to be in the position of offering alternatives for resupply in the Arctic, both for the population and also for the oil activity—as we know, this was to be the biggest year the river has ever known—and what the costs will be both to government and to industry, if you end up in an air situation by having to resupply by air. Of course, it could be reaching the stage, Mr. Chairman, particularly with the economic activity in mind of a national emergency with respect to food supplies. The town of Yellowknife basically is without staples or will be without many of their staples within the next two or three days. You can always fly the fresh food in but flour and sugar are pretty expensive things to get into the country.

What I would like to recommend to you, Mr. Chairman, is that this Committee take a long look at this, call witnesses to find out just what the situation is exactly. As you can appreciate, there are all sorts of rumours and stories.

I think we should talk to people from Northern Transportation and from the marine services of the Department of Transport. I think we should hear from the departmental officials of Indian Affairs to find out what alternatives, what planning they have both with regard to resuply and also to examine the business of connections between the capital and the outside. As we all know, three months of the year Yellowknife is cut off from the outside during freeze-up and break-up. It seems to me that this Committee should look at it. I wonder Mr. Chairman, if the steering committee might examine this idea to see if we can look at this and look at it very quickly.

The Chairman: Gentlemen, do any of you have any strong feelings on this request by Mr. Orange that the steering committee con-

[*Interprétation*]

cussions de ceci surtout si l'on tient compte de la circulation sur la rivière cette année, peuvent être désastreuses si la situation se prolonge.

On a proposé toutes sortes de raisons: on parle de l'utilisation de l'eau de la rivière Peace, qui est un confluent du MacKenzie, par M. Bennett; on parle du peu d'eau qu'il y a eu au printemps. Le principal devoir du Comité, c'est d'être au courant de la situation, et de ce qui peut se produire si cela continue. Le problème, c'est que personne ne semble être en mesure d'offrir des solutions aux problèmes de l'approvisionnement dans l'Arctique tant du point de vue de la population que de l'exploitation pétrolières—comme nous le savons, ce devrait être la plus grande année que la rivière ait jamais connue et ce qu'il en coûtera au gouvernement et à l'industrie, si l'approvisionnement devait se faire par la voie des airs. Évidemment, monsieur le président, à un moment donné la situation pourrait dégénérer en urgence nationale, surtout du point de vue économique, pour ce qui est des denrées alimentaires. En principe, la ville de Yellowknife manque de denrées ou en manquera au cours des deux ou trois prochains jours. Il est toujours possible d'envoyer les aliments frais par avion, mais la farine et le sucre sont des ingrédients dont le transport par la voie des airs coûte assez cher.

Monsieur le président, je propose que ce Comité considère bien la question, et convoque des témoins pour savoir exactement ce qu'il en est. Comme vous pouvez le constater, on raconte toutes sortes d'histoires.

Il faudrait s'assurer quelle est la situation réelle auprès des fonctionnaires de la *Northern Transportation* et des services maritimes du ministère des Transports. Je pense qu'il faudrait connaître l'avis des fonctionnaires du ministère des Affaires indiennes pour trouver quelles seraient les solutions, et le genre de planification dont ils disposent aussi bien du point de vue du réapprovisionnement que de celui de vérifier les correspondances entre la capitale et l'extérieur. Comme nous le savons tous, durant trois mois de l'année, la ville de Yellowknife est isolée de l'extérieur pendant la période de gel et de dégel. Il me semble que ce Comité devrait considérer cet aspect. Je me demande si le Comité de direction pourrait examiner cette proposition, pour déterminer si nous pouvons procéder à ce travail très rapidement.

Le président: Messieurs, est-ce qu'il y en a parmi vous qui ont des opinions bien arrêtées au sujet de cette demande de monsieur

[*Text*]

sider his proposal for calling witnesses on this new problem that has developed in transportation along the Mackenzie River system. Do you have any comments?

Mr. Dinsdale: I would like to make some comments on it, Mr. Chairman. I presume, Bud, that the railway will be taking most of the heavier equipment and supplies to Hay River...

Mr. Orange: To Hay River.

Mr. Dinsdale: ...and that is the jumping-off point and this is where the problem begins. You mentioned Yellowknife.

Mr. Orange: Yes, because of the low water on the river the ferry is unable to run, so Yellowknife is also affected.

Mr. Dinsdale: They will have to switch to highway for the time being.

Mr. Orange: They cannot cross. The barges cannot cross the river.

Mr. Dinsdale: Oh, I see. Maybe you will get your bridge now. This is most unusual at this time of the year. They are usually fighting high water level. It is amazing that there has not been a public outcry before this. You mentioned the possiblity of a diversion of the Peace.

Mr. Orange: The Peace River Dam. The water from the Peace River below the dam was stored in the dam last year and above the Peace it was fed by its tributaries. For example, the Town of Peace River itself has had a very, very serious problem with the water supply. It had to keep moving the intake out further and further into the river at a considerable expense to themselves.

Mr. Dinsdale: Because of the river dam...

Mr. Orange: Yes, the Bennett Dam.

● 1135

Mr. Dinsdale: If this is related to the power developments on the Peace and it can be determined that this is such, we have a real problem on our hands because it would be not a once-only difficulty, it would be a continuing difficulty unless there is some permanent solution.

The Chairman: I wonder, gentlemen, if we could have order. As we have called witnesses from some distance, I wonder if it would be possible to get general agreement

[*Interpretation*]

Orange voulant que le Comité de direction étudie la proposition de convoquer des témoins au sujet de ce nouveau problème qui vient de surgir en matière de transport le long du Mackenzie. Est-ce que vous avez des commentaires?

M. Dinsdale: J'imagine que le Chemin de fer transportera le gros de l'équipement et des approvisionnements vers Hay River...

M. Orange: A Hay River.

M. Dinsdale: ...et c'est le point de départ, le moment où les difficultés commencent. Vous avez mentionné la ville de Yellowknife.

M. Orange: Oui, car à cause du niveau peu élevé des eaux du fleuve, le traversier ne peut assurer le service, ce qui affecte également Yellowknife.

M. Dinsdale: Ils devront utiliser la route, pour le moment.

M. Orange: Ils ne peuvent traverser. Les péniches ne peuvent traverser la rivière.

M. Dinsdale: Je vois. Vous aurez peut-être votre pont maintenant. C'est étrange, à ce moment de l'année, habituellement, ils combattent la crue des eaux. C'est étonnant que le public n'y ait pas pensé plus tôt. Vous avez mentionné la possibilité d'une dérivation de la rivière la Paix.

M. Orange: Le barrage de la rivière La Paix. L'année dernière, les eaux de la rivière, en aval du barrage étaient emmagasinées au barrage même et, en amont de la rivière la Paix, elles étaient alimentées par ses affluents. La ville de Peace River même, par exemple, a connu de sérieuses difficultés par le manque d'eau. Il a fallu aller la chercher de plus en plus loin. Cela coûtait passablement cher à cause précisément du barrage.

M. Dinsdale: A cause du barrage...

M. Orange: Oui, le barrage Bennett.

M. Dinsdale: Si cela peut se rattacher à la production d'énergie sur la rivière La Paix et on peut facilement le déterminer, nous avons un problème sur les bras parce qu'il ne s'agirait pas d'une seule difficulté passagère, mais d'un problème continuel, à moins de trouver une solution permanente.

Le président: Messieurs, à l'ordre s'il vous plaît. Puisque nous devons faire venir des témoins d'assez loin, est-ce qu'on pourrait s'entendre maintenant pour référer la ques-

[*Texte*]

now to refer the matter to the steering committee. Is this agreed or do members have further comments? Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): I would like to make one short comment. I would just like to say that I support Mr. Orange in his suggestion here. Perhaps because this does involve water, in its broadest sense, in a policy sense, Energy Mines and Resources should be asked to consider this as well. This is just a question I raise, Mr. Chairman.

The Chairman: I think the procedure which we should follow is for the steering committee to meet and for Mr. Orange to attend to make his representations again with the full steering committee.

Mr. Marchand (Kamloops-Cariboo): No, I am particularly interested in this and I would like to see what all the aspects of it are. I think there would be great merit in calling witnesses to find out exactly what is going on. There have been some proposals in my riding to divert water from the Shuswap into the Okanagan and we have resisted this very, very strongly, mainly on the basis that they have looked at the possibile diversion only on a mechanical basis. It is physically possible to divert water without looking at all of the uses of water or what this possible diversion would mean. So I think from a broad policy basis we could probably learn something here and perhaps the federal government should take some pretty strong measures to make sure that things like this do not happen that would badly affect other areas.

The Chairman: I will try to schedule a meeting of the steering committee either this afternoon or some time tomorrow or Thursday and arrive at a conclusion without delay. It would seem this problem requires some immediate attention and we will try not to delay anything with the steering committee.

Mr. Orange: Thank you very much, Mr. Chairman. My apologies again to the two witnesses for taking some of their time.

Mr. Dinsdale: I would like to ask if Mr. Bennett ever got clearance for building obstructions on the Peace which would be in the hands of DOT?

The Chairman: Gentlemen, I would appreciate a motion from a member of the Committee that Dr. McDiarmid and Dr. Nar-

[*Interprétation*]

tion au Comité de direction? Êtes-vous d'accord, ou avez-vous d'autres commentaires à formuler? Monsieur Marchand.

M. Marchand (Kamloops-Cariboo): Un bref commentaire à ce sujet, à l'appui de monsieur Orange. Puisqu'il s'agit d'eau sur le plan de la politique, peut-être le ministère des Mines et de l'Énergie devrait aussi s'en occuper. C'est simplement une question que je soulève, monsieur le président.

Le président: La procédure que nous devons suivre est celle de réunir le Comité de direction et de voir à ce que monsieur Orange assiste à la séance et soumette de nouveau sa proposition.

M. Marchand (Kamloops-Cariboo): Ce point m'intéresse en particulier. Je voudrais en connaître tous les aspects. Je pense que ça serait très bon de convoquer les témoins pour voir exactement ce qui se passe. Il a été question, dans ma circonscription, de dériver les eaux de la rivière Shuswap dans l'Okanagan, ce à quoi nous nous sommes fortement opposés, principalement du fait qu'ils ont considéré la dérivation éventuelle machinalement, sans tenir compte des répercussions. Il est physiquement possible de détourner les eaux sans tenir compte de tous les usages et les services qu'elles peuvent rendre. Par conséquent, de façon générale, cette expérience peut nous être profitable et je crois que le gouvernement fédéral devrait prendre des mesures assez énergiques pour éviter la répétition d'erreurs qui affecteraient sérieusement d'autres régions.

Le président: J'essayerai d'organiser une réunion du Comité de direction soit cet après-midi, demain ou jeudi et en arriver à une conclusion là-dessus sans retard. Il me semble que ce problème mérite une attention immédiate et nous nous efforcerons de ne pas retarder les travaux du Comité de direction.

M. Orange: Merci monsieur le président, je m'excuse de nouveau du temps que j'ai fait perdre aux deux témoins.

M. Dinsdale: J'aimerais demander à M. Bennett s'il avait jamais reçu l'autorisation d'élever des obstacles sur la rivière la Paix, laquelle autorisation serait entre les mains du ministère des Transports?

Le président: Messieurs, j'aimerais qu'un membre du Comité présente une motion autorisant le remboursement des frais de

[*Text*]

rol be paid reasonable travelling and living expenses. Could I have a motion to this effect.

Mr. Marchand (Kamloops-Cariboo): I so move.

Motion agreed to.

The Chairman: Dr. McDiarmid.

Dr. G. L. McDiarmid (Ontario Institute for Studies in Education): Thank you. We have an interest in the broad problems of Canadian Indians and minority groups in general. We should state that our special area of competence must of necessity start small and we would like to think that we can begin from there. Before I describe the projects in which we are interested at the Ontario Institute for Studies in Education, I would like to express our limitations first so that we cannot be said to misrepresent our base of knowledge. Then we would be glad to discuss any extension of our ideas after this presentation.

• 1140

Mainly, our area of concern is Manitoulin Island in Ontario. We visited other reserves and I have had myself, Indian children in a classroom in Lambton County and I know some reserves in this area. Our time of concern is also limited because chiefly it spans two years in the past for our investigation. On balancing these limitations I would like to note a few points. Dr. Narrol lived on Manitoulin Island for six weeks last summer and conducted a pilot study, a part of which he will be discussing later. I travelled from the Mexican border through the United States to the Canadian border and observed different kinds of reserves in the southwestern part of the United States. These were chiefly in New Mexico, Arizona and Utah. This included the demonstration Navaho school at Rough Rock, Arizona.

I also had occasion to look at what is being done in Texas with the Mexican-Americans in regard to education and talked to people in the U.S. Office of Education about the problems in the South. We have a research assistant, who is a McGill graduate with an M.A., who has lived on the Manitoulin Island reserve for approximately nine months. We have also participated in conferences with Indians to discuss their unique problems. Most recently two of these conferences set a precedent; all the school principals of Indian schools in Ontario met in Sudbury and also

[*Interpretation*]

voyage et de séjour de M. McDiarmid et de M. Narrol.

M. Marchand (Kamloops-Cariboo): Je le propose.

Motion adoptée.

Le président: Monsieur McDiarmid.

M. G. L. McDiarmid (Institut de l'Ontario pour les études de formation): Nous nous intéressons aux problèmes généraux des Indiens du Canada et des groupes minoritaires au Canada. Il faut dire que notre secteur de compétence doit nécessairement commencer modestement, et que ce serait là notre point de départ. Avant de vous dire les projets qui nous intéressent à l'*Ontario Institute for Studies in Education*, je voudrais vous indiquer les restrictions que nous nous sommes imposées. Afin que nous ne soyons pas accusés de mal représenter notre compétence. Ensuite, nous serions heureux de pouvoir discuter tout développement des idées que nous aurons exprimées au cours de cette présentation.

En principe, le secteur qui nous préoccupe c'est l'île Manitoulin en Ontario. Nous avons visité d'autres réserves et, j'ai moi-même enseigné à de petits Indiens dans le Lambton County; par conséquent j'ai connu certaines réserves de la région. Notre temps est aussi limité puisque ce n'est que depuis deux ans que cette enquête est en cours. Pour équilibrer ces restrictions, je voudrais vous mentionner certains points. Le Dr Narrol a passé six semaines sur l'île de Manitoulin pour effecteur une étude pilote sur laquelle nous reviendrons plus tard. J'ai voyagé aux États-Unis depuis la frontière du Mexique jusqu'à celle du Canada pour observer différentes sortes de réserves dans le sud-ouest des États-Unis, dans l'Arizona, le Nouveau-Mexique, et l'Utah en particulier. J'ai visité l'école Navapo de démonstration à Rough Rock (Arizona).

J'ai eu l'occasion de voir ce qui se fait au Texas en matière d'instruction des mexico-américains. J'ai aussi pu consulter le Bureau fédéral de l'éducation des États-Unis, au sujet des problèmes qui existent dans le sud. Nous avons un adjoint à la recherche diplômé de McGill, qui a vécu sur la réserve de l'île de Manitoulin pendant environ neuf mois. Nous avons aussi participé à des conférences avec des Indiens pour discuter leurs problèmes particuliers. Plus récemment, deux de ces conférences ont établi un précédent. Les directeurs des écoles indiennes de l'Ontario se

[*Texte*]

the annual National School Committee Conference was held in Hamilton.

We are interested in pursuing a number of items which I suppose have varying degrees of expectation and certainly varying times at which one might begin to look for results. I merely note these and if they are of interest to any Committee members, we will be glad to talk about them.

First, we consider our most important task that of developing new methods of teaching so that we will be able to find ways to help the Indian youngsters come up to the level of the non-Indian child by giving them a base for better expectation from the high school.

Second, we have an interest in developing cultural content for the curriculum. I have an example of the kind of material which OISE will be producing in the future, probably in co-operation with a private publisher, but at the moment we have a prototype kit here. I do not know what your wishes are about displaying this, but I will be happy to do as you wish.

In everything we say we believe that we ought to involve Indian adults in decision making with whatever we are doing, so this will assuredly demand some attention to adult education. We have an interest in and a proposal for establishing a day-care centre with advanced techniques in infant care and the training of adults in the care of infants. We hope that we will be able to influence the future practice of one or more teachers' colleges, at least, in the Province of Ontario and we hope to learn something about adequate counselling techniques and about producing counsellors for the schools which the Indian children attend. In Ontario they are called joint schools. I am not certain of the vocabulary that is used in other provinces, but they are sometimes referred to as integrated schools.

We also hope, out of our work and over a longer period of time, that we might be able to play a part in producing a continuing art or craft style somewhat along the lines of what has been done with the Eskimos and their stone prints.

We also expect to get a project going to develop a written form of the dialect and, concurrently, a teaching technique to teach Indians—this may seem rather ironic—in the use of their language and to teach non-Indians in the use of the dialect. We expect this would also be a prototype for other dialects.

A matter that has been raised with the Cabinet is a plan for economic development in the area in which we are primarily inter-

[*Interprétation*]

sont réunis à Sudbury, et le congrès annuel du National School Committee s'est tenu à Hamilton. Nous nous intéressons à plusieurs sujets où nos espoirs sont variables. Nous attendons des résultats, je vais vous les mentionner. Nous pourrons en parler si cela vous intéresse.

D'abord notre tâche la plus importante est de trouver de nouvelles méthodes d'enseignement, afin de pouvoir élever le jeune Indien au niveau des enfants non-Indiens, en lui donnant des raisons d'espérer mieux du cours secondaire.

Deuxièmement, nous voulons élaborer le contenu culturel de ces cours. J'ai ici un échantillon du matériel que produira l'OISE en collaboration avec un éditeur privé. Je ne sais pas si vous voudrez que je vous en fasse la démonstration, mais nous ferons ce que vous voudrez.

Il nous faut engager les adultes indiens dans la prise des décisions et cela exigera une attention du côté de l'enseignement aux adultes. Nous voulons établir une maternelle de jour dotée de services modernes de soins aux enfants et aussi former des adultes en vue du soin des enfants. Nous voulons influer sur les programmes de cours des écoles normales de l'Ontario, nous voulons apprendre quelque chose sur les méthodes d'orientation et sur la formation d'orienteurs pour nos écoles indiennes. Je ne sais pas comment s'appellent ces écoles dans les autres provinces, mais c'est ce que nous appelons en Ontario des écoles intégrées.

Nous espérons que grâce à notre travail, et avec le temps nous pourrons peut-être créer une sorte de style permanent d'artisanat. Nous savons que cela a été possible chez les Esquimaux pour leurs sculptures sur pierre.

Nous avons aussi un projet pour développer le dialecte écrit et une méthode d'enseignement pour apprendre aux Indiens—ce qui peut nous paraître un peu ironique—leur propre langue. Ce sera un modèle pour l'enseignement d'autres dialectes.

Une question qui a été soumise au Cabinet est celle du développement économique dans une région qui nous intéresse afin que l'édu-

[*Text*]

ested so that education will have a goal and that the curriculum carried on in the schools will have more meaning. We regard this as an extremely important aspect of the work that we are doing. We believe that somehow we must find ways of gaining greater acceptance of the Indian in the dominant culture. For example, the textbook study that was mentioned earlier is part of this. We are not interested in superficial public relations as a means of getting Indians accepted; rather that they should be accepted as a meaningful part of the labour and citizen force, and especially through occupational development. This may be something that we can pursue later as well.

By enumerating these things I do not want to exaggerate our expectations, but from where we sit we deem that all the activities which we have mentioned are those which must interact with education and we believe that our area of interest, Manitoulin Island, could become a demonstration area for most of these activities if enough people are interested.

Dr. Narrol will speak more specifically about the Indian children and their problems in and out of school.

The Chairman: Dr. Narroll.

Dr. Harvey G. Narrol, Ph. D. (The Ontario Institute for Studies in Education): As a physician and a psychologist I guess I have an interest both in people as individuals and as their problems can be generalized in groups. I suppose I am also part of a movement in psychology these days to take a behaviour theory and finally attempt to bring to practical contribution in an economic way many of the theories and ideas that have been developing in psychology for many years.

This brings me out of the predominantly clinical work and into a field where I feel more work can be done for all of us, the field of education, in which the solution of human behaviour problems, attitude problems and feeling problems can be dealt with in a far broader and more generally contributing way.

I think my sensitivity to Indian problems is based, as perhaps yours is, on the fact that it is a general Canadian problem and area of sensitivity right now and also, perhaps, by virtue of my participation in a minority group culture, the Jewish one in which I was brought up, and I suppose I incidentally gained some insight into the problems that a developing people and a people with a spe-

[*Interpretation*]

cation ait un but et que le programme des cours soit adapté à ces fins. Nous estimons que c'est un aspect très important de notre travail. Il nous faut trouver des moyens de faire mieux accepter les Indiens au sein de la culture dominante. Par exemple, les manuels dont j'ai parlé se rattachent à ce but. Nous ne sommes pas intéressés à des relations publique superficielles pour faire accepter les Indiens, mais nous voulons qu'ils fassent réellement partie du groupe de citoyens et de la main-d'œuvre et surtout grâce au perfectionnement de la main-d'œuvre. Nous pourrons revenir là-dessus plus tard.

En énumérant tous ces faits, je ne voudrais pas exagérer nos espoirs, mais ce sont là les activités qui se rattachent à l'éducation. Nous croyons que le secteur qui nous intéresse, l'île de Manitoulin pourrait devenir une région d'essai pour la plupart de ces activités, si les intéressés sont assez nombreux. Le Dr Narrol vous parlera plus expressément des enfants indiens et de leurs problèmes à l'école et au dehors.

Le président: Docteur Narrol.

Dr. G. Narrol (The Ontario Institute for Studies in Education): A titre de médecin et de psychologue, je m'intéresse aux gens en tant que particuliers et dans la mesure où leurs problèmes peuvent généraliser. Je fais aussi partie, j'imagine, du mouvement de la psychologie moderne qui part de théories du comportement pour tenter de transposer dans la pratique, sur le plan économique, plusieurs des théories et idées de la psychologie de ces dernières années.

Ceci m'amène à un domaine où j'estime qu'on pourrait faire beaucoup plus de travail, celui de l'éducation, ou la solution des problèmes du comportement humain, et l'attitude, des sentiments peuvent être traités sur un plan beaucoup plus général, pratique.

Je crois que ma sensibilité aux problèmes indiens se fonde, comme la vôtre sans doute, sur le fait qu'il s'agit d'un problème général canadien à l'heure actuelle. Aussi peut-être à cause de ma participation ou de mon appartenance à un groupe culturel minoritaire, le groupe juif dans lequel j'ai été élevé. Je crois que cela m'a permis de comprendre les problèmes des peuples en voie de développement

[*Texte*]

cial small group attitude have in becoming part of a larger community.

From this kind of a base there are several issues that loom large to me in our over-all attempt to understand and do something about the Indian problems and situations. It is not only in doing something about them, but to begin to think more deeply about participating with Indians in doing something about them. A situation has been built up over the years that I am sure we are all aware of—and clinically it seems to be particularly important—where on the one hand a people come to depend on a dominant culture for their direction and resources and on the other hand they are struggling valiantly to retain their own sense of direction and identification.

The Indian cultural ego, and anyone's cultural ego, that is, their feeling that they have a culture, that they have a base from which to operate and that they have a heritage to be proud of, can only be maintained within the context of the larger environment to the extent that they begin to see reflected in the eyes of others an appreciation for their development and for their special nature. Canada, as a country that does not espouse to the melting pot idea but one that always emphasizes cultural pluralism, I think has a rather special role to play in helping people to develop their feelings of differentness while contributing to a common cause.

While up to this point I have alluded to, and while we are all here to talk about Indian issues, Indian problems and Indian concerns, the fact is that many of the difficulties facing Indians today in Canada can be understood within many more general contexts.

While it may be somewhat controversial to say this, the fact is that while there is a specialness to being Indian and a specialness that should not be lost, the problems that have developed have developed in a way that allow them to be understood within other kinds of classifications, such as cultural deprivation, which is a kind of understanding and analysis which helps us to understand what happens to a group that have been forcibly told that their culture is a minor

• 1150

one, that their special insights and ideas should not be pursued any longer, that assimilation and taking on the attitudes of the majority would be a far better course than maintenance of their own special rights along with gaining whatever they can from the major culture.

[*Interprétation*]

ou de petits groupes et quelles sont leurs attitudes lorsqu'ils doivent s'assimiler à une collectivité plus grande.

De ce point de départ, il y a plusieurs problèmes que j'entrevois dans nos efforts pour comprendre et régler les problèmes indiens. Non seulement pour agir mais pour mieux participer avec les Indiens à cette œuvre. Au cours des années, nous savons tous, j'en suis sûr, qu'il s'est créé, une situation qui nous paraît extrêmement importante et où d'une part les gens en viennent à compter sur une culture dominante pour leur administration et leurs ressources, et d'autre part, ils luttent pour conserver leur propre sens d'identité et d'orientation.

L'ego de la culture indienne et des autres cultures, c'est-à-dire le sentiment d'avoir un patrimoine dont on peut être fier, ne peut être maintenu dans le contexte d'un milieu plus large que dans la mesure où on voit se refléter chez les autres une appréciation de son perfectionnement et de sa nature spéciale. Le Canada, comme pays qui n'adopte pas la théorie du creuset, mais qui semble mettre l'accent sur le pluralisme culturel, a un rôle particulier à jouer vis-à-vis de ceux qui veulent conserver leurs différences tout en s'intégrant à un groupe plus large.

Puisque nous sommes tous ici pour parler des Indiens, de leurs problèmes, de leurs inquiétudes le fait est qu'un grand nombre des difficultés des Indiens à l'heure actuelle peuvent être comprises dans un contexte beaucoup plus général.

Même si cela n'est pas reconnu universellement qu'il existe chez l'Indien une sorte de caractère particulier qui ne doit pas se perdre, les problèmes qui se sont présentés sont exposés d'une façon qui nous permet de les comprendre, par exemple, sous d'autres aspects comme le refoulement culturel, une analyse en somme qui nous aide à comprendre ce qui arrive à des groupes à qui on a dit que leur culture est d'ordre mineur, que leurs idées, leurs attitudes doivent disparaître, que

l'assimilation et l'adoption de l'attitude de la majorité seraient une solution beaucoup plus pratique que le maintien de leur civilisation spéciale tout en tirant le meilleur parti possible de la principale culture.

[*Text*]

Another label, of course, which is very close to this that brings with it different kinds of economic and ecological pressure problems, is the "minority group". Any minority group faces the conflict of, which way will it be better for us to develop? Which way will it be better for me, as a person in a minority group, to develop? By identifying strongly with, and beginning to take more and more part in, the affairs of the majority or to what extent can I retain my own identity, some of the things that are special about me, by virtue of being someone other than from the minority culture?

In the particular region which we have begun to study and understand, Dr. McDiarmid's disclaimers which focus on our small beginnings are very important. The fact is that we have to begin somewhere in order to understand people and problems which are of interest to us, which but are a very small part of our own personal backgrounds. We chose the Manitoulin Island area, the North Channel area, in Ontario because of its geographical location and its importance within the educational institution with which we are affiliated.

There, another label which is important is "second language problems." The fact is that by far the greatest percentage of children begin school with an added difficulty, a difficulty which is sometimes easily overlooked. This is the difficulty of learning in an environment which teaches in a language that is foreign, foreign to the early development of a child. In our developing any special method there has to be a delicate integration of how to help the child learn to like the second language, learn to prosper in it, and learn to function in it and yet learn that the host-culture is not indefinitely and very strongly against his own initial language.

Another label which crops up in that special area which we have begun to study, which may not be so typical of all Indian existence, is that of rural culture. It has struck us that some of the educational problems of the children in the Manitoulin Island area are not at all that different from the problems of white children in the surrounding community. Some of these are lack of interest, the lack of suitability, the lack of obvious tie-in of the educational program for future life that the pupils see before them. We have every reason to believe that the dropout rate in the nearest white community is almost as high, for example, as in the Indian reserve schools.

Welfare entrapment I suppose, is a euphemism that I have coined for the pur-

[*Interpretation*]

Un autre point qui est très près de cela et qui cause des problèmes sur le plan économique et écologique, c'est le titre de groupe minoritaire. Tout groupe minoritaire doit déterminer quelle est la meilleure orientation à donner à son perfectionnement, la meilleure orientation pour chaque individu en particulier. En s'identifiant nettement et en participant de plus en plus aux affaires de la majorité, dans quelle mesure un individu peut-il conserver sa propre identité, certaines choses qui lui sont particulières parce qu'il appartient à une culture différente autre que la culture majoritaire?

Dans la région particulière que nous avons étudiée, que nous commençons à comprendre, je crois que les réserves du docteur McDiarmid sur nos modestes débuts sont très importantes, en ce sens qu'il nous fallait commencer quelque part pour comprendre ces gens et leurs problèmes qui nous intéressent bien entendu mais auxquels nous ne participons que de très loin. Nous avons choisi la région le l'île Manitoulin, le secteur du North Channel (Ontario), à cause de sa situation géographique et de son importance au sein des institutions d'enseignement auxquelles nous sommes affiliés.

Il y a aussi le problème de la deuxième langue. Le fait est que de loin, la plupart des enfants entrent à l'école avec une difficulté supplémentaire, une difficulté qu'on a parfois tendance à négliger. Il lui faut apprendre dans un milieu où règne une langue étrangère, étrangère à celle que l'enfant a apprise auparavant. Dans l'élaboration de toute méthode spéciale, il faut intégrer délicatement la façon d'aider l'enfant à apprendre à aimer cette deuxième langue, de l'aider à se tirer d'affaire avec cette langue et de lui apprendre que cela ne va pas nécessairement à l'encontre de sa propre langue maternelle.

Une autre étiquette dans ce domaine qui n'est peut-être pas si caractéristique à tous les indiens, c'est celle de «culture rurale». Certains des problèmes éducatifs des enfants dans la région de l'île de Manitoulin ne sont pas tellement différents de ceux des enfants de race blanche dans les collectivités avoisinantes: l'absence d'intérêt, l'absence de lien entre le programme éducatif et l'avenir que ces enfants envisagent. Il y a tout lieu de croire que le taux d'abandon scolaire est aussi élevé dans les écoles de race blanche que dans les écoles indiennes.

L'emprisonnement dans l'assistance sociale est une expression que j'ai forgée pour les

[*Texte*]

poses of my introductory remarks here. In thinking of many problems which we face together today it has struck me that we are only just beginning to understand how to come to grips with the two-fold duty which we feel to people who are trapped in various economic ways. We feel a duty to help them economically, and yet we feel a duty and a need not to make them dependent on that help. Somehow or other this latter motive, aided by our own needs to be economical and to help trim budgets, seems to get emphasized in a way that is of short-term benefit and not of long-term benefit.

• 1155

What do I mean by that? To draw together many current economic issues in the welfare field, the issue of negative income tax, the issue of inducements in welfare systems, people who have to fight their way up from an economically handicapped and economically-deprived position ought not to feel the economic supports of the welfare system being pulled out from under them as soon as we customarily expect. For their long-term good and eventually development, they ought to gain sizeably by any progress that they fight through to themselves, because their fight is a harder personal fight than it is for most of us who come out of good, middle-class families. They ought to feel some security; that any setbacks which they experience, after having development somewhat, will be buttressed by a cushion provided by a remaining welfare system. I think I ought to be a little more explicit about that.

It seems to be the habit that when a person reaches a level of achievement, gets a job competence of some sort, that is extraordinary for a person in his starting position, the welfare system immediately dissociates itself from him, pulls itself out from under him, says, "well you have made it now buddy; you are on your own". I think it is a very frightening prospect when you know that this is going to happen to you, and it often helps to decrease the motivation of people to struggle with the educational difficulties which they face.

There are always a few people who meet this struggle head-on, and who answer the challenge, and who show great strength and come up in spite of some of these insecurity factors. I think in the long run, if we were not so prone to fashion a system, which says, "Now that you have made it or almost made it, do not look back for help from us". and if it were understood that help from the agents that gave help when you were down is easily obtained again if you slip a little bit, people

[*Interprétation*]

besoins de mon introduction. Si l'on songe aux nombreux problèmes que nous avons à combattre aujourd'hui, il est évident que nous ne faisons que commencer à comprendre comment nous acquitter de nos doubles obligations vis-à-vis des gens qui sont en quelque sorte pris au piège. Il nous faut les aider au point de vue économique et nous estimons qu'il est nécessaire qu'ils ne dépendent pas exclusivement de cette aide. Cette motivation, avec l'aide de nos propres besoins de rentabilité, semble être soulignée en fonction de bénéfices à court terme plutôt qu'à long terme.

Qu'est-ce qu'on entend par là? Pour grouper de nombreux problèmes économiques dans le domaine du bien-être, comme les questions d'impôt négatif sur le revenu, et d'encouragements dans les systèmes de bien-être, ceux qui doivent chercher à gravir l'échelle économique à partir d'une position handicapée et frustrée au point de vue économique ne doivent pas estimer que le régime d'assistance sociale pourra leur être retiré. Pour leur bien à long terme et leur relèvement éventuel, ils doivent gagner appréciablement tout progrès qu'ils réussissent à réaliser, car ce combat est pour eux bien plus personnel que pour nous qui venons de familles moyennes. Il faut qu'ils aient un sentiment de sécurité, à savoir que tout échec qui peut leur arriver en cours de route sera en quelque sorte amoindri par un certain régime d'assistance sociale. Je crois que je devrais m'expliquer un peu.

Lorsqu'une personne atteint un certain niveau de succès, acquiert une compétence professionnelle extraordinaire pour une personne placée à son point de départ, le régime d'assistance sociale se dissocie de lui complètement, lui coupe les vivres et lui dit: «vous avez maintenant réussi, débrouillez-vous». C'est une perspective très peu rassurante car vous savez que cela peut vous arriver et cela nuit à la motivation de gens qui ont des problèmes en matière d'éducation. Il y en a toujours quelques-uns qui sont prêts à accepter de défi, à faire preuve d'un grand courage et à réussir en dépit de ces facteurs d'insécurité. Mais à la longue, si nous n'étions pas aussi partisans d'un système qui ne fournit aucune aide à ceux qui ont pu atteindre un certain niveau, et si ces gens savaient qu'ils pourraient recevoir de l'aide de nouveau après un échec temporaire, il me semble qu'ils progresseraient de façon beaucoup plus rapide et permanente.

[*Text*]

would move forward much faster and much more permanently.

I think we are coming to a crucial time in which we have the choice of whether we will bog down in some of the difficulties of beginning to work with this situation and solve this problem or whether we will, horror of horrors, face some of the problems that have developed around very similiar situations in the United States. We have the opportunity to capitalize on the observations we have made of that situation and as a result not to make the same mistakes. We must pay whatever price is necessary to allow people to participate in their own upgrading and in their own climb upwards and not presume that, because we think we have knowledge that can be used that we also have the total administrative say over everything that happens. A special method which we can bring to bear on a initial break-in to the vicious circle that seems to surround the Indian community is one that you might call "classroom behaviour management techniques". This is based on learning theories which have been promising for a long time to pay off in the educational field and are just beginning to do so.

UNESCO and other organizations, before they promote the idea of literacy, even though there are special curricula and special needs for a special community, recognize the major development in reading and core subjects, such as arithmetic and language. Any way that we can help to motivate children whose backgrounds do much to motivate them against this kind of learning should be used.

• 1200

In a sense, this kind of method identifies with these economic considerations that I have mentioned with regard to welfare entrapment. People need inducements to overcome special handicaps.

One way of supplying inducements to children to overcome difficulties which have been set up for them in their backgrounds and in their experiences is to recognize that learning for them, in given areas, is work. It is not play; it is not lovely; it is not an accepted goal as it is for many of our children. It is work, hard work, and the philosophy of paying for work and paying especially for hard work should not be one that is foreign to us. Yet, in our prevailing ideas and attitudes it seems silly, retrogressive and somehow immoral to think of paying children for school work. There are ways, of course, of making this more natural and there are ways

[*Interpretation*]

Je crois que nous vivons à une époque décisive où il nous faut choisir, à savoir si nous allons nous enliser dans certaines difficultés initiales de solution des problèmes ou, si nous allons connaître des problèmes semblables à ceux qui se sont développés dans des situations semblables aux États-Unis. Nous avons l'occasion de tirer des leçons de cette situation afin d'éviter les mêmes erreurs. Quel que soit le prix nécessaire, il faut être prêt à le payer pour que les gens puissent monter dans l'échelle sociale, sans supposer que, parce que nous possédons des connaissances éventuellement utiles, nous pouvons prendre toutes les décisions administratives au sujet de tout ce qui peut se faire. Une méthode spéciale peut-être que nous pouvons utiliser pour tenter de rompre ce cercle vicieux qui semble entourer les collectivités indiennes, c'est ce qu'on peut appeler «techniques de direction du comportement en classe». Ces méthodes sont basées sur des théories d'apprentissage qui ne peut que commencer à donner des résultats dans le domaine de l'éducation.

Avant de promouvoir l'alphabétisme, même si une communauté particulière a ses programmes et ses besoins spéciaux, l'UNESCO et d'autres organismes reconnaissent les derniers développements dans le domaine de la lecture et des matières fondamentales comme l'arithmétique et les langues. Il nous faut utiliser tous les moyens possibles pour motiver les enfants dont le milieu les incite à rejeter ce genre d'apprentissage.

D'une certaine façon, ces méthodes s'identifient aux considérations économiques que j'ai mentionnées au sujet de l'assistance sociale. Les gens ont besoin de stimulants, d'encouragement pour surmonter leurs handicaps spéciaux.

Une façon d'inciter les enfants à surmonter les difficultés imposées par leur milieu et leur expérience c'est de reconnaître que pour eux, l'apprentissage constitue un travail. Ce n'est pas un jeu facile, ce n'est pas un objectif accepté comme chez nos enfants à nous. C'est du travail et du travail dur. Et la philosophie qui veut faire payer pour accomplir un travail difficile ne devrait pas nous être inconnue, et pourtant, dans nos idées et nos attitudes, on trouve ridicule, régressif et un peu immoral de songer à payer des enfants pour aller à l'école. On peut rendre cette idée un peu plus acceptable. Il y a des façons aussi de partir du point où vous utilisez des encoura-

[*Texte*]

of getting very quickly from the point where you are using very concrete inducements to children to motivate them to do work in areas which they would not work in otherwise, to get them from that point to incorporating the liking of education and the need for more education that we assume exists in all children and that we try, usually, to use in the general school system.

A small example of this kind of a situation is planned by Dr. McDiarmid and myself and has been piloted briefly and meets with complete acceptance, both by the children and by the Inndian community. We intend to power and motivate a core educational program, real concentration in reading and arithmetic, subjects in which children with all of these problems I have mentioned have it the behind by embedding these learning tasks within a token economy, a simulated economy, a play money system in which the child earns credits for his learning and for his performance in core needed, subject matter areas. The child can spend these credits on a beneficial program that is of immediate recognized value and pleasure to him, something like a summer camping program, for example.

While it may seem strange to provide for and involve Indian children in a summer camping program, it has been our experience and our observation in the areas we have been in that the children love it, they lap it up. Indeed, some of the skills that we assume Indian children have in this area, and some of the experiences we assume they would have a surfeit of, are no longer there and are no longer provided either by outsiders or by their own community. We had children willingly coming to school very often and working very hard for us; harder we were told by teachers who work there all year round, than those teachers can get them to work within such a situation where we provided some of these experiences for them during a summer. It seemed to offend all of the expectations of the adults in the community, both some of the Indian officials and the Indian education officials at times to feel that these children would be motivated to came to school during the summertime and work harder than they had during the regular year. Without saying more about a technology that does take some explanation this kind of an immediate pay off, a use of incentives that are meaningful immediately can get children moving on educational goals that they otherwise would never encounter and never accept—that kind of a system and that kind of an aproach for an immediate intervention, I think, is very important.

[*Interprétation*]

gements concrets pour motiver les enfants à travailler dans les secteurs où ils ne le feraient pas sans encouragement, pour en arriver à incorporer chez eux un besoin d'éducation supérieur à ce qui existe chez tous les enfants et que nous essayons d'utiliser dans le système scolaire régulier.

Un exemple de cette situation a été établi par le Dr McDiarmid et moi-même et a été mis à l'essai brièvement. Il semble avoir été accepté tant par les enfants que par la collectivité indienne. Nous voulons stimuler et motiver un programme d'éducation où l'accent sera mis sur la lecture et l'artithmétique, tous ces domaines que les enfants ont négligés, en intégrant ces tâches à un semblant d'économie, un jeu d'argent où un enfant peut gagner des crédits pour son travail à l'école. Il peut dépenser les crédits dans un programme qui peut lui être immédiatement utile et qui peut lui donner certains plaisirs, par exemple, un programme des vacances d'été. Même s'il semble curieux de faire participer des enfants indiens à un programme de camping d'été, nous avons constaté que les enfants aiment bien cette idée. Certaines aptitudes et expériences que nous supposions l'apanage des jeunes indiens sont disparues et ne leur sont plus fournies par les étrangers ou leur propre communauté. Nous avons eu des enfants qui sont venus à l'école et ont travaillé très fort pour nous, plus fort, nous ont dit certains professeurs qui travaillent là à l'année, que les enseignants ont réussi à réaliser pendant les vacances d'été. Il semble que cela va à l'encontre de toutes les prévisions des habitants de la collectivité indienne, des représentants et des éducateurs des Indiens, qui trouvent curieux que des enfants soient stimulés et consentent à aller à l'école pendant l'été et à travailler plus fort que pendant l'année scolaire.

Sans élaborer davantage sur une théorie qui nécessiterait certaines explications, ce genre de rendement immédiat, l'utilisation de stimulants significatifs peuvent inciter les enfants à viser des objectifs éducatifs qu'ils n'accepteraient jamais autrement—ce genre de système et de méthode d'intervention immédiate est très important.

[*Text*]

• 1205

There are certainly, as Dr. McDiarmid has alluded to, much more important things for long-term work: work in reconsolidating Indian culture; giving back some of the kowledge that we have; in a way, contributed to squeezing out of the Indian culture; giving back a pride in some of the things that the Indians used to do that, because of our differences, we did not see as meaningful or useful at times. That kind of a thing is meaningful, both in terms of individual clinical approaches to people and, more particularly, in taking a curative supportive approach to a whole culture, to a whole group of people. People need a strong base from which to start to appreciate the values of anybody else's ideas. If they do not first see and feel confident about the values of their own particular specialties and special likes, they have a hard time accepting and seeing and benefiting from any of the special values and strengths of any surrounding group or any other group. It is much easier to integrate with other groups when you feel strong in your own. I think that this ought to be a very strong educational tendency in what we do in the future.

It, that is, the promotion of Indian culture and an understanding of a sensitivity to, Indian culture and heritage among the Indian youth, may, surprisingly, be an area which has to be powered by incentives in the same way that acceptance of more core educational curriculum may be. That seems hard to understand and yet the feeling of alienation, only from us but from their own background, is so strong that that may be a very great factor.

Perhaps some of the special problems that we experience in Indian communities, such as alcoholism, can better be seen in the framework that it is common to see it in some of our other groups as a problem among people who feel alienated from their own people, from their own heritage and from the bigger surrounding economy. This idea may lend a little understanding to that as a special problem which takes it out of the superstitious area that it has been in at times, that of a special biological problem which it, indeed, is not. I think that will sum up, for me, what kind of background ideas I have.

The Chairman: Thank you very much. Dr. Narrol. Do you wish to make further comments, Dr. McDiarmid, or do you want to throw the meeting open to questions?

[*Interpretation*]

Comme l'a dit le Dr McDiarmid, il y a d'autres choses beaucoup plus importantes pour un programme à long terme: réunification de la culture indienne; remise de certaines connaissances que nous avons contribué à expulser de la culture indienne; rétablissement de la fierté de certaines choses qu'ils faisaient et que nous, nous ne savions pas apprécier. Ce sont des choses utiles et efficaces du point de vue du traitement clinique individuel et, plus particulièrement, si l'on veut aider à résoudre les problèmes d'une culture ou d'un peuple. Les gens ont besoin d'un point de départ solide pour apprécier la valeur des idées des autres. S'ils ne voient pas la valeur de leurs propres spécialités et caractéristiques et n'y ont pas confiance, ils trouvent plus difficile d'accepter et de profiter des valeurs et des points forts des groupes environnants. Il est beaucoup plus facile de s'intégrer dans d'autres groupes si l'on se sait fort et assuré dans le sien. Je crois que cela devra être une tendance très forte que tous nous allons envisager pour l'avenir.

La promotion de la culture indienne et la compréhension de la culture et de l'héritage indiens chez les jeunes indiens, tout cela doit être stimulé de la même façon que d'autres programmes scolaires. Cela semble très difficile à comprendre, mais le sentiment d'aliénation, venant non seulement de nous mais aussi de leur propre histoire, joue un rôle important.

Peut-être que certains problèmes, comme l'alcoolisme, avec lesquels nous sommes aux prises dans les communautés indiennes peuvent être mieux compris, dans le contexte où nous sommes habitués de les voir chez nos autres groupes, comme un problème de gens qui se sentent aliénés de leurs propres gens, de leur patrimoine et de la grande économie environnante. Cette idée peut permettre de faire comprendre ce problème spécial dû à la superstition. Je crois que cela résume les idées que j'ai en tête.

Le président: Je vous remercie. Avez-vous encore quelque chose à dire, docteur McDiarmid, où si nous passons à la période de question?

[*Texte*]

Dr. G. L. McDiarmid (Ontario Institute for Studies in Education): Let us have some questions.

The Chairman: Do we have any questions from members of the Committee? Mr. Dinsdale?

Mr. Dinsdale: I will start the ball rolling. This has been an interesting presentation from two specialists in a field where in Canada I do not think there are many specialists. The first question that comes to my mind is to ask the two gentlemen whether this is unique in Ontario in terms of a special carefully-controlled program to deal with the special needs of Indian education or are you co-ordinating with other groups who might be operating in other provinces?

Dr. McDiarmid: We have met with Father Renaud, who knows the ideas that we have, who followed with interest the results of our pilot study. We have talked briefly with some people in Alberta but as for any formal link-up, no, and we certainly think that this will be a bit premature. By the way, I think it would do ourselves justice to say here that we reserve the right to differ on various viewpoints and I am sure there will be times when you would expect that.

Mr. Dinsdale: Dr. McDiarmid indicated that they have examined similar projects amongst other groups. I suppose that is particularly in the United States is it?

Dr. McDiarmid: Yes.

Mr. Dinsdale: They are well advanced in this field or...

Dr. McDiarmid: I would say in Texas the efforts of the regional laboratory in working with Mexican Americans are pretty well along. I am impressed with what they are doing. Most impressive for me in the field of Indian education was the demonstration school at Rough Rock that the Navajo are working on themselves.

I have not seen anything in practically any school that matched the spirit of zest of both the staff and the students. I would like to describe this. It is not very often that you see children even free to skip down the halls, but here I saw four Indian girls hand in hand, some with bouffant hairdos and various styles of dress—some in quite traditional dress—skipping down the hall with happy faces. I just have to say that I never saw this anywhere else, and I have seen many schools.

Dr. Narrol: What about the Albuquerque school. Perhaps it is not as free.

[*Interprétation*]

Dr G. L. McDiarmid (Ontario Institute for Studies in Education): Passons aux questions.

Le président: Des questions? Monsieur Dinsdale?

M. Dinsdale: Cet exposé des deux experts dans un domaine qui n'en compte pas tellement au Canada est des plus intéressants. La première question qui me vient à l'esprit, c'est de demander aux deux témoins si c'est particulier à l'Ontario, s'il s'agit d'un programme spécialement contrôlé pour répondre aux besoins d'éducation des Indiens ou allez-vous travailler avec d'autres groupes qui travaillent dans d'autres provinces?

M. McDiarmid: Nous avons rencontré le père Renaud qui connaît nos idées, qui a suivi notre étude pilote avec intérêt. Nous nous sommes entretenus avec des gens de l'Alberta mais, je crois que pour le moment, c'est un peu tôt pour mettre ce programme en vigueur. Je crois que, en toute justice, il faut dire que nous sommes heureux d'avoir le droit de différer d'opinions, mon collègue et moi, et je suis sûr que vous vous attendez à cela.

M. Dinsdale: Monsieur McDiarmid, vous avez indiqué que vous examinez des problèmes semblables parmi d'autres groupes. Vous parlez probablement des États-Unis?

M. McDiarmid: Oui.

M. Dinsdale: Est-ce qu'on y est très avancé dans le domaine ou...

M. McDiarmid: Je dirais qu'au Texas, les travaux des laboratoires régionaux sur les mexico-américains sont en bonne voie. J'ai été très impressionné, frappé par le travail qui se fait dans le domaine de l'éducation des Indiens, surtout par l'école de démonstration à Roughrock où les Navajo travaillent eux-mêmes à leur programme.

Je n'ai jamais vu rien de semblable dans une école. L'enthousiasme du personnel et des étudiants par exemple. C'est rare que l'on voit des enfants, libres de se promener dans les corridors, mais j'ai vu quatre petites Indiennes, certaines coiffées et habillées à la moderne, ou habillées de façon classique, qui couraient dans les corridors toutes réjouies. Je n'ai jamais rien vu de semblable et j'ai pourtant visité un grand nombre d'écoles.

M. Narrol: Que dire de l'école d'Albuquerque. Elle n'est peut-être pas aussi libre.

[*Text*]

Dr. McDiarmid: This was a day-care school that a parish asked a man in Albuquerque to set up. A parish of Mexican Americans established a day-care centre with a nurse-cook in charge and they solicited the assistance of teenage girls, some of whom took days off from high school to help run the place. This was a different experience because it was a quite different age group, but with a little assistance from outside, the local parish people were running their own organization very well.

Mr. Dinsdale: I suppose you are working very closely with the Indian Affairs Education Branch on this scheme.

Dr. McDiarmid: Yes.

Mr. Dinsdale: Are you receiving any support, financial or otherwise, or is it exclusively an Ontario Government program?

Dr. McDiarmid: This is Indian Affairs assistance that we are working on so far. It was the Indian Affairs Branch who financed our pilot study and they have promised funds for the summer coming up.

Mr. Dinsdale: The pilot study is in Manitoulin Island, and it has been operating for how long?

Dr. Narrol: We have had one summer of work. This was to serve as a basis for indicating that some of the ideas we had were workable within the Indian culture and within that specific area, and could help to solve a particular problem, the problem of a sort of peak-out of educational interest among the children at about the grade four and five levels. I do not really believe that it is simply a matter of a sudden diminishing of interest; it is a running out of gas. All the other influences that are operating on the children come to a head when the curriculum begins to get as complex as it does around the grade five level. We were able to demonstrate that some of these incentive motivational techniques were acceptable to the Indian community and to the children, and would help the children to learn in areas that were especially difficult for them.

The project operated intensely for six weeks during last summer and we have kept in touch, attempting to develop a larger project which would not train teachers to use similar methods in that reservation and in others surrounding, with the intent of gradually spreading this kind of thing as far as it is spreadable.

[*Interpretation*]

M. McDiarmid: C'est une école maternelle, établie par une paroisse de mexico-américains d'Albuquerque, un centre de soins journaliers où il y avait une infirmière, une cuisinière et on demandait l'assistance de jeunes adolescentes, et les jeunes adolescentes se libéraient de l'école secondaire de temps à autre pour y travailler. C'était une expérience assez différente, parce que des âges différents étaient en cause. Mais différentes personnes de la paroisse s'occupaient de leur propre organisation, avec une aide extérieure très peu importante.

M. Dinsdale: Vous travaillez sans doute étroitement avec la Divison de l'éducation des affaires indiennes?

M. McDiarmid: C'est vrai.

M. Dinsdale: Vous appuie-t-on financièrement et autrement? Ou est-ce un programme du gouvernement de l'Ontario?

M. McDiarmid: Précisément, c'est l'assistance du ministère des Affaires indiennes qui nous permet de fonctionner. C'est une division des Affaires indiennes qui a financé notre projet pilote et ils nous ont promis des fonds pour le prochain été.

M. Dinsdale: Le projet pilote est à l'île Manitoulin, et il est en exploitation depuis quand?

M. Narrol: Nous avons fait du travail pendant un été, qui a servi de base pour démontrer si nos idées étaient efficaces vis-à-vis de la culture indienne, et pour résoudre le problème de la diminution de l'intérêt que les jeunes Indiens portent à l'éducation dès la quatrième ou cinquième année. Il semble qu'ils sont en perte de vitesse, due aux différentes influences exercées chez les Indiens lorsque l'éducation se complique. Nous avons pu démontrer que certaines techniques de motivation pourraient aider aux enfants Indiens de continuer d'apprendre dans certains domaines. Le projet a été en cours l'été dernier; nous avons tenté de créer un projet plus considérable qui pourrait former les enseignants à utiliser des méthodes semblables, afin de pouvoir répandre cette façon de procéder autant que possible.

Nous avons vu qu'il fallait y travailler, qu'il y a un problème d'ordre général; nous croyons qu'en certains endroits, la côte de l'Ouest, par exemple, la perte de l'identité culturelle n'est pas aussi marquée et aussi frappante qu'elle ne l'est dans l'Ontario, mais que dans une certaine mesure la difficulté de concentrer sur un système d'éducation donné,

[*Texte*]

We recognized that we had to tunnel in somewhere, but we do feel that there is a broad general problem and a broad applicability of the kind of thing we are doing. We feel that in some places, like the West Coast perhaps, the loss of cultural identity is not as predominant and striking as it is in Ontario. But to some extent the difficulties of concentrating on a traditional educational system for a person coming from a culture that does not emphasize that kind of thing has similar motivation difficulties. As we develop in one particular area, we should be able to apply our methods and the knowledge we develop elsewhere.

Mr. Dinsdale: You are going to carry on the program at Manitoulin Island. It is a summer program only, is it?

Dr. McDiarmid: It is summer when we work with the children directly, and this is still to investigate some of the complexities of the task that we have set for ourselves. We expect that the operation should last three summers, with supervision during the intervening winters to see how well the method of teaching succeeds with the teachers, and to see how well they maintain this new method. Then we would like to think that it will be in sufficient shape that we can recommend it to a teachers' college.

• 1215

Mr. Dinsdale: This is a kind of little laboratory situation on Manitoulin Island. What is the reaction of the community to being treated as guinea pigs?

Dr. McDiarmid: If we use the word "laboratory", then the term "guinea pig" comes after it very rapidly. We have never considered that we are working in a laboratory situation. First of all, of course, in Toronto we are close to Indian Affairs Branch people, and secondly we had to talk to the Indian people themselves. We do not consider this as being an experimental lab. They are interested, and they have said so, in promoting the education of their children, and our interests match at that point.

Mr. Dinsdale: So you are working with the Council and the Chief. You are bringing him along each step of the way. Is there a school board that operates on the reserve?

Dr. McDiarmid: A school committee.

Mr. Dinsdale: A school committee, which is really interested in educational problems

[*Interprétation*]

lorsqu'elle ne met pas l'accent sur la culture montre qu'à mesure que nous développons les enfants dans certains domaines nous devrions prendre ces méthodes et les appliquer ailleurs.

M. Dinsdale: Mais vous allez continuer votre programme à l'île Manitoulin? C'est un programme d'été seulement, si je comprends bien?

M. McDiarmid: C'est en été que nous travaillons directement avec les enfants, et c'est là que nous voulons enquêter aussi sur les complexités de notre tâche. Nous croyons que le projet devrait durer 3 étés, avec une certaine surveillance exercée pendant l'hiver pour voir dans quelle mesure les techniques sont acceptées par les enseignants à ce moment-là. Et après, nous pensons passer à un collège pour la formation des enseignants, une école normale.

M. Dinsdale: Maintenant, à partir de cette petite opération de laboratoire sur l'île Manitoulin, quelle est la réaction du peuple face à cette idée qu'ils agissent comme des cobayes?

M. McDiarmid: Nous n'avons jamais pensé ni au laboratoire ni aux cobayes. Tout d'abord, nous avons consulté la Division des affaires indiennes à Toronto et, ensuite, nous avons consulté les Indiens eux-mêmes. Ils s'intéressent au projet; ils veulent améliorer l'éducation de leurs enfants.

M. Dinsdale: Donc, vous travaillez de concert avec le Conseil, le Chef de la bande? Vous les renseignez au fur et à mesure des progrès enregistrés. Est-ce qu'il y a une commission scolaire sur la réserve?

M. McDiarmid: Un comité scolaire.

M. Dinsdale: Un Comité qui s'intéresse aux problèmes d'éducation plutôt qu'à d'autres

[*Text*]

rather than others that have been mentioned to us, such as sanitary problems. They really get involved in the educational process at the adult level.

Dr. McDiarmid: The school committee is fairly new, but I would have to agree from my observation that they have taken their charge seriously.

Mr. Dinsdale: Dr. McDiarmid, I think you hit all bases. You mentioned all the major problems that are involved in dealing with special education for a culturally deprived group like the Indians, a group that has lost contact with its own culture. I wonder if I could ask you to enlarge on one or two of the problem areas that you mentioned. For example, you mentioned specifically the gap that exists between the adults and the children who are exposed to this special education process, and that you are very much aware of this difficulty and you are involving the adults each step of the way. How is this being done? We have generation gaps ourselves, but it is a special problem in a group of this kind. How are you dealing with this very serious difficulty that must exist in an Indian community?

Dr. McDiarmid: First we invited the representatives of the Indian people. Then secondly, as Dr. Narrol testified, the Indian adults were interested in visiting the school. This is an observation I made in Navajo territory. There they were so welcomed in the schools that they wandered into the classrooms at will. They did not have to stop at the office and sign their name and go down the hall and knock on the door. They just walked in the door; they observed classes going on. We would like to think that a similar spirit can be created in the area of our concern.

I would have to say that the mothers on the reserve have exhibited the greatest interest, at least in words, in what is done with their children. They are very interested in the fact that a day-care centre should be established. They are also interested in learning how to work with their own infants and toddlers, in what they can do for them, and how they can stimulate their interest in going off to school. Of course there must be other interests too, but our focus is on the school.

Mr. Dinsdale: This means that you are having special classes with adults. Who is doing this?

Mr. McDiarmid: No, we are not. We do expect to have people in our institute who

[*Interpretation*]

problèmes, tels que les problèmes d'hygiène. Ils s'intéressent vraiment à l'éducation.

M. McDiarmid: Le Comité éducatif est assez nouveau, c'est vrai, mais ils prennent leurs obligations très au sérieux.

M. Dinsdale: Monsieur McDiarmid, je crois que vous songez à tout. Vous avez parlé de tous les problèmes qui concernent l'éducation spéciale pour un groupe culturel qui a perdu son identité, comme groupe. Pourriez-vous peut-être nous donner un peu plus de détails quant au problème dont vous avez parlé? Vous avez parlé en particulier de l'écart entre l'Indien adulte et l'enfant qui sont exposés à ce processus éducatif, que vous êtes très conscient des difficultés, que vous voulez faire participer les adultes tout au long du processus. Comment, en fait, procédez-vous? Par exemple, nous aussi nous avons des écarts entre les générations, c'est un problème spécial. Vous avez affaire à un groupe de ce genre. Comment procédez-vous?

M. McDiarmid: D'abord, il faut que les représentants du peuple indien participent et, comme M. Narrol a dit, les Indiens adultes se sont intéressés à visiter l'école, et j'ai observé cela dans le territoire des Navajos. Ils ont été si bien accueillis, qu'ils se sont déplacés dans les classes, ils n'avaient pas à signer un livre à l'entrée, ils pouvaient circuler d'une classe à l'autre, et nous croyons que nous pouvons établir un même intérêt à l'île Manitoulin.

Je dois dire que les mères indiennes s'intéressent, du moins verbalement, au projet, mais elles s'intéressent tout particulièrement au fait qu'il y ait un centre pour s'occuper des enfants pendant le jour, et elles s'intéressent aussi à la façon dont elles peuvent travailler avec leurs enfants. Comment peuvent-ils stimuler leur intérêt? Comment peuvent-ils stimuler leur intérêt à l'école?

M. Dinsdale: Cela veut dire que vous avez des classes où les adultes sont admis?

M. McDiarmid: Non. Les gens de notre institut qui s'intéressent à l'éducation des adultes

[*Texte*]

are interested specifically in adult education. They would come along at a slightly later time in the life of our program, when deliberately working with adults—we are talking about classes and what have you—might be appropriate. But right now we need the adults for the occasional meeting with the child, so that there is an overlapping interest always on the child.

Mr. Dinsdale: Do you see the possibility of leadership emerging from the people, the adults on the reserve, so that you can get away from the laboratory atmosphere and they can carry the program themselves?

• 1220

Dr. McDiarmid: I would like to get away from the use of the word "laboratory" right now. I do not think it is perceived like that; I really do not. We are perceived, if I judge this correctly, as people with some competence in the schools who have shown them an interest over a couple of years in a future for their children. So they are asking questions about their children's future, and from my perception at any rate—I would agree that this may be biased—they do not see it as an artificial thing. It is true it is not just a platitude to say that the interest of both of us meet over the child. That there should be indifference in some people I would not deny. Where the leadership might emerge I would not predict. The word "faction" comes to mind: it would be unrealistic to deny that there are factions on the reserve and this has a particular meaning in a reserve to which we generally do not refer in our small village life in the non-Indian communities. We will be interested to see how leadership emerges too.

Mr. Dinsdale: However, the youngsters all go to their own school on the reserve; they are not joint schools, as you call them or integrated schools?

Dr. McDiarmid: That is correct.

Mr. Dinsdale: It is exclusively Indian. Eventually they will have to face the problem of moving out into the wider society in the community: in your experimental project do you contemplate being able to prepare them to do this within the educational structure on the reserve, or do you eventually see them having to move into big schools, joint schools or integrated schools?

Dr. McDiarmid: In my opinion, the matter of joint schools relates to the mix of the population in the area. I should think that on the particular reserve we are interested right

[*Interprétation*]

se présenteront un peu plus tard, parce que nous pensons travailler avec les adultes, mais, pour le moment, l'occasion de rencontrer l'adulte se fait au même moment où nous rencontrons l'enfant. Donc, nous nous intéressons toujours beaucoup plus à l'enfant.

M. Dinsdale: Croyez-vous qu'il soit possible qu'il y ait un certain leadership provenant des adultes indiens de la réserve, et qu'ils puissent, au bout d'un certain temps, prendre part à l'administration?

M. McDiarmid: J'aimerais m'écarter justement du terme «laboratoire». Ce n'est pas ainsi que nous voyons les choses. Je crois que nous les considérons comme des gens qui ont des compétences scolaires et que nous leur avons démontré que nous nous intéressons à l'avenir de leurs enfants. Par conséquent, ils posent des questions quant à l'avenir de leurs enfants. Pour moi, je crois qu'il y a peut-être du préjugé de ma part. Je ne crois pas qu'ils croient que la chose est artificielle... Ce n'est pas seulement une simple platitude de dire que nos intérêts mutuels se rencontrent en ce qui a trait à l'enfant. Qu'il y ait des gens indifférents, je n'en doute pas. Où le chef va apparaître, je ne peux le prédire. Le mot «faction» vient à l'esprit: il serait irréel de nier qu'il n'y a pas de dissension dans une réserve et cela a une signification particulière dans une réserve, signification dont nous ne faisons pas mention au cours de notre vie dans un petit village, dans une communauté qui n'est pas indienne. Nous serions intéressés de voir comment l'autorité émerge.

M. Dinsdale: Maintenant, les jeunes assistent à l'école de la réserve. Ce ne sont pas des écoles conjointes comme vous les appelez, ou des écoles intégrées.

M. McDiarmid: Oui, c'est juste.

M. Dinsdale: Ce sont des écoles indiennes exclusivement. Donc, en fin de compte, ils devront faire face au problème de l'école à l'extérieur de la réserve. Dans votre projet, est-ce que vous envisagez leur préparation à cette école à l'extérieur? Ou croyez-vous qu'ils vont pouvoir continuer à fréquenter l'école de la réserve ou devront-ils aller à l'extérieur pour aller à l'école?

M. McDiarmid: Je crois que cette histoire des écoles conjointes dépend de la population mixte de l'endroit. Je crois qu'il n'est pas nécessaire de créer une atmosphère artificielle

[*Text*]

now there should not be any particular need or occasion to make it artificial and say that we are going to mix some people. It is a relatively homogeneous community. When the people leave the reserve they go out to probably a smaller community just off the reserve. Of course, they can go to Little Current, which is much bigger, but it is a community in the same sense as any village. So that, while they have to be prepared on the reserve and look forward to the problems involved in getting along in a dominant culture, that is a different issue and one beyond that we are addressing ourselves to right now.

Mr. Dinsdale: What you are really doing here is finding the best educational techniques and methods for this particular sort of cultural situation?

Dr. McDiarmid: Yes.

Mr. Dinsdale: You mentioned day care centres: have you got those operating now?

Dr. McDiarmid: No. There are two girls training in what is called Canadian Mothercraft.

Mr. Dinsdale: Are these Indian girls?

Dr. McDiarmid: Yes, from this reserve. The Canadian Mothercraft Society is one which has an affiliation with our institute. One of our psychologists is an adviser and a member of the Board of Canadian Mothercraft. It has a very up to date approach toward the rearing of children. The girls started there in February: it is a one-year course and we expect they will be going to work next February.

Mr. Dinsdale: Would this be a head start approach to things, giving them preliminary preparation for the classroom situation?

Dr. McDiarmid: Yes. It is more than that. In a sense, I think what we have been talking about here in the summer school situation is a kind of remedial education. I would like to think that the educational bets would be better placed on the youngest of the children. Here it will not only be educationally oriented but just general conceptual stimulation of the young—letting the youngster explore his environment in a way that he does not now, such as playing with toys, manipulative things, and this sort of thing; if that is what you mean by "head start", yes.

[*Interpretation*]

à la réserve qui nous occupe à l'heure actuelle et il ne doit pas y avoir nécessité de mêler les gens. Ce serait une collectivité homogène. Lorsque les gens quittent la réserve ils vont dans une collectivité plus petite, près de la réserve, bien sûr, ils peuvent aller à Little Current qui est un endroit beaucoup plus grand, mais, c'est une collectivité semblable à tout autre village. Alors, bien qu'on doive les préparer à la réserve, à songer à l'avenir et aux problèmes qui se rattachent à une culture dominatrice, c'est un problème différent et qui dépasse en étendue celui auquel nous nous attardons présentement.

M. Dinsdale: Ce que vous essayez de mettre au point ce sont des techniques d'enseignement qui serviraient à la situation culturelle présente le mieux possible.

M. McDiarmid: Oui.

M. Dinsdale: Vous parlez de centre de soins journaliers. En avez-vous en cours à l'heure actuelle?

M. McDiarmid: Non, il y a deux jeunes indiennes qui sont présentement formées par ce qui est appelé «Canadian Mothercraft».

M. Dinsdale: Sont-ce des Indiennes?

M. McDiarmid: Oui, de la réserve. La *Canadian Mothercraft Organization* est affiliée à notre institut. Un de nos psychologues est un conseiller et un membre de ladite Commission (Canadian Mothercraft). Il a des idées très progressives sur l'éducation des enfants. Les cours commencent en février pour les filles et durent un an; eu je crois qu'elles seront au travail dès le mois de février prochain.

M. Dinsdale: Alors, c'est une nouvelle façon d'aborder les questions, et de cette façon vous les formez à la situation qui va exister dans l'école même?

M. McDiarmid: Cela va plus loin, La situation scolaire pendant l'été est plutôt une question d'éducation qui rectifie une situation. J'aimerais que les expériences dans le domaine de l'éducation s'adressent aux plus jeunes. Ce sera un stimulant pour les jeunes d'explorer son milieu d'une façon à laquelle il n'est pas habitué, tel que jouer avec certains jouets, etc. Si vous parlez de cela comme une situation progressive c'est cela en effet.

[*Texte*]

Mr. Dinsdale: Mr. Currie was before us the other day and I presume you know him well?

• 1225

Dr. McDiarmid: Yes.

Mr. Dinsdale: He works in the same area. He said that the Indian child does not need equal opportunity, which we talk about giving him, but extra opportunity. Are you trying to discover with your project what the extra opportunities might be in order to make it possible for the Indian youngster to operate within the general Canadian society? Would that be a fair description?

Dr. McDiarmid: I do not know what weight you place on the words that you use. I wonder if I would connote the meaning I wish to convey by saying that we are interested in a proper balance.

Dr. Narrol: I think the word "extra" is a strong and acceptable word to describe whatever things need to be done differently to help special children become motivated to do things, understand things and learn things that they have not been motivated to do otherwise, along with their own special needs being taken care of.

Mr. Dinsdale: Do you have curriculum material with you?

Dr. McDiarmid: Yes.

Mr. Dinsdale: Will we be able to have a look at it?

Dr. McDiarmid: By all means.

The Chairman: Mr. Orange.

Mr. Orange: Mr. Chairman, could we hear a little bit more about the Rough Rock situation? I have read a little bit about it and I am particularly interested in that I understand along with one of the new schools to be built in the Territories at Edso there is thought being given by the educational authorities to the setting up of an establishment on a Navajo reservation along the lines of Rough Rock. I have heard all sorts of good comments but I would just like to have some idea of how it operates.

Dr. McDiarmid: It got started because there was a desire among the Indian people themselves to run their own affairs. It seems to me if that does not exist, then that is the first thing that one has to induce. I should think that posing, in some sense of the word,

[*Interprétation*]

M. Dinsdale: M. Currie est passé devant nous l'autre jour et je suppose que vous le connaissez bien.

M. McDiarmid: Oui.

M. Dinsdale: Il travaille dans le même demaine et dit que le jeune indien n'a pas besoin des possibilités égales que nous voulons lui donner mais de possibilités supplémentaires. Est-ce cela que vous essayez de faire? Tentez-vous de découvrir ces occasions, des possibilités supplémentaires nécessaires pour rendre l'enfant indien capable de fonctionner dans la société canadienne?

M. McDiarmid: Je ne sais pas quel poids vous accordez au terme que vous venez d'utiliser. Je ne sais pas si je vais créer chez vous l'impression que j'essaie de transmettre en disant que nous voulons établir un équilibre convenable.

M. Narrol: Je crois que c'est un mot très acceptable. Il s'agit de choses qu'il faut faire différemment pour aider des enfants particuliers à désirer faire certaines choses, apprendre certaines choses qu'autrement ils ne voudraient ni faire ni apprendre tout en tenant compte de leurs besoins propres.

M. Dinsdale: Vous avez de la documentation de cours.

M. McDiarmid: Je pense, monsieur le président.

M. Dinsdale: Pourrons-nous y jeter un coup d'œil?

M. McDiarmid: Bien sûr.

Le président: Monsieur Orange.

M. Orange: Monsieur le président, est-ce qu'on pourrait nous en dire un peu plus long sur le cas de la situation de Rough Rock? Cela m'intéresse en particulier, étant donné qu'on doit construire une nouvelle école dans les territoires à Edso. Les autorités éducatives songent à organiser dans la réserve de Navajo un établissement à l'exemple de ce qu'on a fait à Rough Rock. Je voudrais que vous me donniez une idée de la façon dont cela fonctionnera.

M. McDiarmid: Cela a commencé parce que les Indiens eux-mêmes voulaient s'occuper de leurs propres affaires. Si ce sentiment n'existe pas, il faut commencer par le provoquer. Et, si l'on impose ceci ce serait s'exposer à un échec dès le début. Le fait que le gouverne-

[*Text*]

the situation would be to ask for failure from the beginning. But the ingredient of their desire was there.

The fact that there was massive financial assistance from the U.S. government was also present, and while I do not know the fact for sure, I have been given to understand that the Indians found a way of putting together six or seven different methods of financing and then presenting it to the Indian Affairs people there. In effect, they demanded their autonomy having solved the financial problem, at least temporarily.

So with the encouragement of a non-Indian administrator, they found a way to finance the school. They set up the school with six grades at the beginning, and then moved into seven and this year they have eight.

I understood when I was there that they were going after a high school next, and there is a high school in the area, but I did read in the news quite recently, I think perhaps two weeks ago, that they had found some money to build a community college, so they have left a gap in the high school area for the time being, but I imagine the news any day will tell that they have assumed control over their secondary education.

The school at the policy level is run by a group of the elected members who are not just school board members. They are community leaders. I sat in at a meeting which was conducted in Navajo, with an interpreter beside me, and they ran through a number of matters that were important to them.

As an illustration, two winters ago they had a very severe time; people had run out of fuel and because they are dispersed widely across the Prairies transportation was very bad and they discussed the problem of what they could do to help their people survive the winter, especially in regard to the matter of heat. Because they knew that there was coal in their large reserve, they wondered how they could extract the coal. Somebody recalled that the surface can be stripped off an area and the coal taken out or apparently there is another place where it is possible to have pit mining, and for a little while they discussed the advantages and disadvantages of these two forms of mining.

• 1230

They made the decision to seek the advice of a mining engineer. This was done in about 25 minutes of discussion. I am trying to give the flavour of the way they moved through the meeting.

Having finished that item on the agenda they moved to some of the concerns that

[*Interpretation*]

ment des États-Unis offrait une assistance financière massive a compté pour beaucoup et je crois comprendre que les Indiens ont présenté 6 ou 7 méthodes différentes de financement au service des Affaires indiennes. Là-bas, en fait, ils ont réclamé leur autonomie après avoir résolu, du moins temporairement, leur problème financier.

Donc, avec l'encouragement d'un administrateur non indien ils ont trouvé le moyen de financer leurs écoles. Ils ont aménagé ces écoles avec six classes au début, ensuite sept. Cette année ils en ont huit. Lorsque j'y suis allé, j'ai compris qu'on se proposait d'établir une école secondaire. Il y en a une maintenant dans la région. Et, j'ai lu il y a deux semaines qu'on a trouvé de l'argent pour établir un collège communautaire. Il y a un vide à combler au niveau du secondaire pour le moment mais je suppose que bientôt on apprendra qu'ils sont maintenant en charge de leur éducation secondaire.

L'école est dirigée pour son orientation par des membres élus qui ne sont pas simplement des membres de la Commission scolaire mais des chefs de file communautaires. Je suis allé à une réunion à Navajo avec un interprète et nous avons discuté plusieurs questions qui sont importantes pour eux.

Par exemple, il y a deux hivers, ils ont eu un temps très dur là-bas; les gens manquaient de combustible, et parce qu'ils sont très dispersés, et que les moyens de transport sont très mauvais, on s'est demandé ce qu'il était possible de faire pour aider leur semblable pendant l'hiver, surtout en ce qui a trait au chauffage. Ils savaient qu'il y a de la houille sur leur réserve et ils se sont demandés comment ils pourraient l'extraire. On leur a dit qu'on pouvait déblayer la surface et extraire le charbon ou l'extraire à ciel ouvert. Ce sont deux méthodes différentes dont ils discutèrent les avantages et les inconvénients.

Ils décidèrent de demander l'avis d'un ingénieur minier. L'entretien a duré 25 minutes. Je veux vous donner un avant-goût sur leur façon de procéder. Ayant rayé cet item sur leur agenda ils passèrent à certaines des préoccupations que les instituteurs, indiens ou non-indiens, ont concernant leur salaire et

[*Texte*]

teachers, Indians and non-Indians, had with respect to their pension and pay as I recall, the next item on the agenda dealt with health service so that this Council which meets rather frequently handled this while range of things, the school only being part of a whole community affair. The principal of the school was an adviser to the board, and he was on the administrative side. There is a woman who is what I think you call the curriculum co-ordinator. No—I am mistaken. The curriculum co-ordinator was a non-Indian anthropologist who had married one of the Navajo girls. A woman was in charge of the academic program of the school. In it there were three rooms and a separate building devoted to the production of traditional Navajo crafts, such as rug making, silver work, pottery and some fabric work. When I spoke to the adults they were very pleased with this and it was the centre of visits of the Indian adults. They all stopped off in these craft centres, even though it is much more a part of their daily or yearly routine there than would be the production of crafts, that I am aware of at least, in Ontario.

I talked to the young people and asked about the differing hair styles, the different manners of dress, and about the production of the traditional crafts and I gained a rather strong impression that this craft work in on its way out. While it is certainly practised very strongly now, the young people are not showing a great deal of interest. It seems to me—but obviously one would have to keep checking back to veryfy this kind of thing—that there is something to be preserved out of this other than just selling rugs to tourists. It should be in some more permanent art form and from what I have seen of the Eskimo work here in Canada, this is something to be desired but that is another aspect of the schools.

They have quite a few specialists in the schools for remedial education. Where the school fell down the worst in was in a special education room where there was a non-Indian teacher in charge. I think if left a very great deal to be desired. This was recognized by the administration of the school and they were looking for an Indian go take care of this program.

A lot of the instruction was done in Navajo language. They are more fortunate. They have had a Roman alphabet for a while that they could use, and this is something that people at least in Ontario have not had. I do not know whether there is any more to say about the school itself. The community spirit around the whole thing was exhilarating. I

[*Interprétation*]

leur pension. Si je me souviens bien, l'article suivant à l'ordre du jour traitait du service sanitaire de sorte que ce conseil qui se réunit assez souvent s'occupait de toutes ces activités, et l'école n'est qu'une partie de tout un programme collectif. Le principal de l'école était conseiller du conseil et il faisait partie de l'administration. Il y a une dame qui est coordonnateur des programmes de cours. Pardon, je me trompe, le coordonnateur des programmes est un anthropologue qui n'est pas indien mais qui avait épousé une Navajo. Une dame est chargée du programme de l'école. Dans l'école il y a trois classes et un immeuble particulier affecté à des travaux d'artisanat, tels que le tissage de tapis, le travail de l'argent, la poterie et la fabrication d'étoffes. Lorsque je me suis entretenu avec les adultes, ils en étaient très satisfaits. Ils passent tous par ces centres de métiers, cela fait partie de leur vie quotidienne beaucoup plus que ce ne le serait en Ontario par exemple.

Je me suis entretenu avec les jeunes qui m'ont renseigné sur les différentes coiffures, les divers vêtements, l'artisanat traditionnel et j'ai nettement l'impression que ces métiers sont en voie d'extinction. La nouvelle génération ne semble pas s'y intéresser beaucoup. Il me semble donc que de toute évidence il faudra veiller à cette situation, car il y a quelque chose à préserver, et il ne s'agit pas seulement de vendre des tapis aux touristes. Il faudrait que ce soit un artisanat plus permanent et d'après ce que j'ai vu des Esquimaux, ici au Canada, c'est très souhaitable, mais c'est un autre aspect des écoles.

Ils ont assez de spécialistes dans les écoles qui s'occupent d'éducation, de réadaption. Ils ont là une institutrice non indienne qui s'occupe de ce genre de travail, ce qui laisse beaucoup à désirer. L'administration de l'école en est consciente et cherchait une institutrice indienne pour la remplacer. Évidemment, on donne surtout l'enseignement dans la langue Navajo. Ils utilisent depuis quelque temps l'alphabet latin alors que les indiens d'Ontario ne l'emploient pas. Je ne sais si j'ai plus long à dire en ce qui concerne l'école; l'esprit de communauté est merveilleux. J'y ai passé deux jours complets et j'ai discuté de ce qu'ils attendaient de leur école. Je crois qu'il vaut la peine de mentionner un enfant, un arriéré mental et qui était très bien traitée. Elle ne

[*Text*]

was there for two full days and two nights and discussed their expectations and the daily conduct of the school.

I think it would be worth while to mention a child who was mentally disturbed and very retarded and she was treated extremely well. She could not remain in her seat. She would wander around the school and people would recognize her and say, "What are you doing here"? and they would guide her slowly back to her room and put up with her continual movement around the school in a way that a lot of schools, even in which I have been principal, should be envious of.

Mr. Orange: At the beginning you mentioned that the impetus and the initiative for the school came from the Navajo people themselves, and then you went on and implied that in similar situations, at least, the initiative could or might be induced. What would happen in a situation where the Rough Rock theory was transferred to another situation without the people having initiated this themselves or having been properly induced?

• 1235

Dr. McDiarmid: I would think that you would get a highly formalized failure. I do not think that a school can be carried without the spirit of participation of the teachers.

Mr. Orange: Were the parents and the local residents in the area involved in this school in its start, or did this come primarily from the teachers?

Dr. McDiarmid: No, not from the teachers, generally. It came from the non-Indian administrator who had life-long experience in the area and who knew the right time to help the Indians make the move.

Mr. Orange: What was the initial re-action of the local people to the school or can you comment on that?

Dr. McDiarmid: There are few local people because of the distribution of Navaho across the desert. There are no villages of Navaho. The fact that when they would come in to get their weekly or monthly supplies and stop at the school as a matter of course, may be an answer to your question. In order to demonstrate the crafts which were there and because this is a residential school, they had to get assistance from the mothers of the reserve by asking them to come in and stay for a month at a time.

[*Interpretation*]

pouvait pas rester à sa place. Elle se promenait dans l'école, on la reconnaissait et on lui demandait: Qu'est-ce que tu fais ici? Puis on la guidait lentement vers sa classe, c'était une sorte de mouvement perpétuel autour de l'école. Beaucoup d'écoles envieraient une telle discipline.

M. Orange: Au début, vous avez dit que l'inspiration et l'initiative de l'école était due aux Navajos eux-mêmes puis vous donniez à entendre que dans de pareilles circonstances, on pourrait provoquer une telle initiative. Qu'arriverait-il si la théorie mise à l'essai à Rough Rock était transplantée ailleurs?

M. McDiarmid: Je crois que ce serait un échec. Aucune école ne peut fonctionner sans la participation active des professeurs. Je crois qu'il faut la participation des professeurs.

M. Orange: Et les parents et les résidants de la localité que pensent-ils de cette école, est-ce qu'ils y sont engagés eux-mêmes ou est-ce que l'initiative est venue uniquement des instituteurs?

M. McDiarmid: Non, pas des instituteurs en général, mais d'un administrateur non-indien qui a une expérience très longue de cette région et qui sait à quel moment il faut conseiller d'agir.

M. Orange: Quelle a été la réaction initiale de la population locale vis-à-vis de l'école? Est-ce que vous pouvez nous dire quelque chose là-dessus?

M. McDiarmid: Il y a très peu de gens là-bas parce que la population est très éparpillée, il n'y a pas de village. Lorsqu'ils viennent chercher leurs approvisionnements de la semaine ou du mois, ils passent par l'école, question d'habitude. Afin de faire la démonstration de l'artisanat, comme il s'agit d'un pensionnat, les dirigeants de l'école ont dû faire appel aux mères de la réserve et leur demander de séjourner à l'école pendant des périodes d'un mois. La mère sortait ainsi du hogan pour participer à une activité commu-

[*Texte*]

Now, this not only brought the female out of her hogan into a community affair which was completely new, but it provided a home atmosphere for the bunk-mothers. If a father in a hogan had a youngster six, eight years old, who could not be brought with the mother, then the DINE, which is the name of the community council, sent someone to go out and be a baby sitter in the hogan. There was a complete trade here. It was pretty good all around.

Mr. Orange: You said that the policy was determined by an elected board. Did the board come from the reservation itself or the members of the teaching staff?

Dr. McDiarmid: The board consisted of representatives who were elected by the Indians themselves. They were traditionally dressed and traditionally mannered people. There were two shamans on the Council, not because they were shamans, but because they were elected. The chief was on the Council and then there were other persons who would be considered any sunburned, tanned Arizona rancher.

The Chairman: Mr. Marchand.

Mr. Marchand (Kamloops-Cariboo): This can go all day here, Mr. Chairman. I was very, very interested in hearing the presentation by both of these gentlemen, and particularly in the use of the word "ecology" by Dr. Narrol. Not many people use the term "ecology" in permanent terms of thinking about people—the relationship of living organisms, so to speak, with their environment, and perhaps the reason that it sort of struck me is that I worked in plant ecology. We went to school down in Idaho and I am very interested in this branch of human ecology. Did you study human ecology to any extent in your course of work?

Dr. Narrol: I have studied it just in general, in terms of the biological sciences and general approaches, but not in a special way. However, this kind of incentive learning theory and economics which I have studied gets very, very close to it in the sense of getting to the underlying supportive factors of an environment, the presence of which would predict a movement of a people or an organism in one direction and in its absence another direction.

Mr. Marchand (Kamloops-Cariboo): Are there many people in Canada in any of the institutions who are looking at human ecology or dealing with it as such in any of the universities?

[*Interprétation*]

nautaire, ce qui est tout à fait nouveau et cela leur fournit une atmosphère de foyer en quelque sorte. Et si le père a un fils que la mère ne peut amener avec elle, disons, de 6 ou 8 ans, le DINE qui est le nom du conseil communautaire lui fournit quelqu'un pour prendre soin de cet enfant, par conséquent, il y a un échange continu ici, ce qui est une excellente chose.

M. Orange: Vous dites que la politique a été établie par un conseil établi. Les membres sont-ils choisis dans la réserve même ou est-ce qu'il se compose de membres du personnel enseignant?

M. McDiarmid: Le conseil se compose de représentants élus par les Indiens eux-mêmes, des gens qui portent le costume indien et qui doivent siéger parce qu'ils ont été élus. Il y avait deux sharmans (sorciers). Le chef faisait partie du conseil et une autre personne qui aurait pu très bien passer pour un employé de ranch basané de l'Arizona.

Le président: Monsieur Marchand.

M. Marchand (Kamloops-Cariboo): On pourrait vous écouter toute la journée, monsieur. J'ai été très intéressé par vos exposés et l'exposé du docteur Narrol et tout particulièrement par le mot «écologie» qu'il emploie. Peu de gens emploient le terme «écologie» en parlant de personnes et de leurs rapports avec le milieu et peut-être l'emploi de ce mot m'a frappé parce que j'ai travaillé sur l'écologie dans le cas des jeunes arbres. Je suis allé à l'école en Idaho, je suis très intéressé par cette branche de l'écologie humaine. Est-ce que vous avez étudié l'écologie humaine dans une certaine mesure?

M. Narrol: Je l'ai étudiée de façon générale surtout du point de vue de la biologie mais pas de façon spéciale. Cette théorie du savoir s'en rattache de très près de même que les théories économiques, c'est-à-dire les facteurs dont dépend un milieu et dont la présence permet de prédire le mouvement de gens ou d'organismes dans une direction plutôt qu'une autre.

M. Marchand (Kamloops-Cariboo): Est-ce qu'il y a beaucoup de gens dans nos institutions et universités qui étudient l'écologie humaine ou des sciences connexes?

[*Text*]

• 1240

Dr. McDiarmid: Yes. Dr. Bill Michelson is specifically studying the ecology of Metropolitan Toronto, as a prototype for study elsewhere.

Mr. Marchand (Kamloops-Cariboo): How about in the United States?

Dr. McDiarmid: Yes; there are a few. This is an historical area in sociology, but there are a few people who are pursuing this notion.

Mr. Marchand (Kamloops-Cariboo): How would you define differences between human sociology and human ecology? You know the traditional approach of the sociologist versus the ecologist. I have some thoughts about it, but I would like to hear what your definitions of this would be.

Dr. McDiarmid: The classical view of sociology puts the relationship of man to his institutions whereas the notion of ecology within sociology suggests thet there is a relationship to the geographical area—that demographic factors have a large part to play in human behavior.

Dr. Narrol: That is, the institutions arise out of economics, by and large.

Mr. Marchand (Kamloops-Cariboo): Having had some exposure to ecology, without having been brainwashed by it, I was really pleased at the use of this word, because you cannot isolate single factors and say "This is the cause of a situation". I believe you have to look at man's total environment and how he reacts in his total environment. I was delighted to hear the use of this word.

Dr. McDiarmid: Yes. It does not provide us with simple answers, unfortunately.

Mr. Marchand (Kamloops-Cariboo): That is right; and there are interactions between these factors which give you different responses.

Dr. McDiarmid: I agree.

Mr. Marchand (Kamloops-Cariboo): Would you tell me, again, why you chose Manitoulin Island?

Dr. McDiarmid: There was an interaction here, too. The Indian Affairs Branch rather pointed in this direction, but we also wanted to find a place with a community large enough to provide enough children to have enough volunteers that a summer program could be successful. A third requirement was that we were concrened that it should be

[*Interpretation*]

M. McDiarmid: Oui, le docteur Bill Michelson qui étudie l'écologie pour la région de Toronto métropolitain. C'est une étude type qui servira ensuite autre part.

M. Marchand (Kamloops-Cariboo): Et aux États-Unis?

M. McDiarmid: Il y en a quelques-uns et c'est un prolongement historique de la sociologie. Assez peu de gens se livrent à cette discipline.

M. Marchand (Kamloops-Cariboo): Comment définissez-vous la différence entre la sociologie humaine et l'écologie humaine? C'est-à-dire l'attitude traditionnelle du sociologue et l'écologiste? Je voudrais savoir quelle serait votre définition.

M. McDiarmid: La sociologie traditionnelle établit le rapport entre l'homme et ses institutions, tandis que l'écologie au sein de la sociologie établit les relations entre les facteurs démographiques et géographiques qui ont un grand rôle à jouer dans le comportement humain.

M. Narrol: Les institutions découlent de façon générale de l'économie.

M. Marchand (Kamloops-Cariboo): Mais puisque j'ai eu affaire à ce mot, sans pour cela que j'en sois obsédé, j'aime qu'on se serve de ce mot. On ne peut pas mettre le doigt sur un facteur en particulier et dire qu'il est la cause d'un tel état de choses, parce que l'homme réagit à son milieu pris dans sa totalité.

M. McDiarmid: Cela ne nous fournit pas de réponses faciles, malheureusement.

M. Marchand (Kamloops-Cariboo): C'est exact et il y a interaction entre ces facteurs qui causent des réactions différentes.

M. McDiarmid: C'est exact.

M. Marchand (Kamloops-Cariboo): Voudriez-vous répéter pourquoi vous avez choisi l'Île Manitoulin?

M. McDiarmid: Il y a eu interaction aussi à Manitoulin. Les Affaires indiennes se sont orientées dans cette voie et nous avons aussi voulu trouver un endroit où il existait une collectivité assez importante et où le nombre d'enfants est assez élevé pour que nous puissions trouver assez de volontaires pour que notre programme réussisse.

[*Texte*]

somewhere close to a university. As we did not have one immediately close to us, we would like to think that in the future this university-teacher college complex would be able to take over the training that we find workable.

Dr. Narrol: I also rather suspect that in the background of that choice was the fact that this was a community large enough and isolated enough to show a very definite and deep educational problem, and therefore would serve as a very, very important location for us to begin trying to understand and be effective.

Mr. Marchand (Kamloops-Cariboo): What do you think about Indian colleges? I heard one of you say at one point that we should do anything along the way that would give us the final result, really. If something is good and right and would help the child develop to the proper end product, then we should perhaps do it. What do you thing about an Indian college, or an Indian university, *per se*?

Dr. McDiarmid: I do not have anything immediately against it. I should think we would have to talk about a concentration of population. In Arizona and New Mexico, where you have a relatively large number of Indian people—that is, relative to the non-Indian people—and where there are colleges supported for the non-Indian people, it might make economic sense, but I should think that in Ontario...

Mr. Marchand (Kamloops-Cariboo): I am thinking of it in the broad educational sense of preparing the Indian to live in the world—to live in the environment of Canada. There has been a lot of talk of integration versus separate schools, and this sort of thing. I am thinking of it in that context.

Dr. McDiarmid: I should think that one of the first preparations to help the Indian integrate is at some point to have him working—and that means at school, too—with his non-Indian counterpart. Surely by the time a person gets to college age he should be prepared to deal with that kind of mix of culture—I should think long before that, in fact.

Dr. Narrol: If this exists, as a need, or a feeling and a tendency, if there is a sufficient demand, and an enrollment possible, for such a college, I think it could be a very useful step in the development of people.

• 1245

I think it has served that purpose for the negro population in the United States. One

[*Interprétation*]

Troisièmement nous voulons que ce soit près d'une université puisque comme il n'y en avait pas de plus près de nous nous espérons qu'à l'avenir cette université ou école normale pourra s'occuper de méthodes de formation que nous jugeons pratiques.

M. Narrol: Derrière ce choix j'imagine, il y a aussi le fait qu'il s'agit d'une collectivité assez importante et assez isolée pour être aux prises avec des problèmes assez graves du côté de l'enseignement, le côté géographique aurait donc une très grande importance.

M. Marchand (Kamloops-Cariboo): Que pensez-vous des collèges indiens? Je crois que vous avez mentionné un de ces collèges, je ne sais plus lequel. Vous avez dit qu'il faut tenter d'obtenir des résultats définitifs et chercher à aider d'amener l'enfant jusqu'au bout de son éducation. Qu'est-ce que vous penseriez d'un Collège ou d'une Université Indienne?

M. McDiarmid: Je n'y vois pas d'inconvénient pour le moment, il faut une certaine concentration de population. En Arizona et au Nouveau-Mexique, il y a un assez grand nombre d'Indiens relativement à la population qui ne l'est pas. Cela peut avoir du sens au plan économique, parce qu'il existe déjà des collèges pour ceux de race blanche, mais je crois qu'en Ontario...

M. Marchand (Kamloops-Cariboo): Je pense plutôt à la préparation de l'Indien à vivre dans le milieu canadien. On parle souvent d'intégration par opposition des écoles séparées, c'est dans ce contexte que je me place.

M. McDiarmid: La préparation qui consiste à intégrer l'Indien doit commencer par l'intégrer au travail avec ses homologues non indiens au moment où il arrive au niveau du collège il doit être prêt à ce mélange de culture. En fait, il devrait l'être avant.

M. Narrol: En fait, s'il y a demandes suffisantes, suffisamment de motivation pour qu'on crée un collège comme celui-là, je crois que ce serait une étape très utile pour l'épanouissement des Indiens. Je crois qu'on a

obtenu des résultats avec un tel système aux États-Unis, pour la population de race noire.

[*Text*]

can regret that so many negro youths, by the time they became of college age, were unwilling, or unable, or uninterested in going to an integrated school, but if that is the way it was it was certainly more important for those kinds of colleges to be there than to "tut-tut" over the fact that they needed them.

Mr. Marchand (Kamloops-Cariboo): Would your terms of reference for the studies lead you to making some observations about this particular thing? I am questioning the idea of an Indian college. I was born and raised on the Okanagan Reserve and went to Indian schools until grade 9, then to integrated schools from there on to university. I have always felt pretty strongly that we should participate, as people, in all of the institutions —schools, in particular. Observing the lack of success rate across the country, however, I am really wondering out loud whether there is not a place for an Indian college, not for the sake of being separate, or of segregating the people, but really because it might be necessary. It might be a way by which the end result could be the same in the long run—that is, preparing people for life in the world, in the country, and this sort of thing. What do you think about that?

Dr. McDiarmid: I would like to comment first of all on the success rate, as you remarked. It seems to me that here we talk about the greatest interacting effect of the dominant culture and the minority culture. The success rate in school will be determined in part by what the school does, but for one to place his bets too closely on only the school would seem to me to be misplacing them.

We always have to look at the way in which the minority group and its representatives—or the people, the individuals—are received in the dominant culture. I would like to mention two instances that occurred in Ontario.

Very recently at a joint school the Indian people in Lambton county wanted a representative on a school board. The Lambton county people refused to recognized an Indian representative. That is an illustration of turning off Indian youth. There is little reason to work hard to get along in the world in this democracy if his models—his adults—find barriers to the success that he has been told about in his school.

Then, in areas in northern Ontario I am told Indian people are encouraged to come to town only at certain times of the year and not at other times, so that tourists will not be offended. That is not a school matter, specifi-

[*Interpretation*]

On peut regretter que ces noirs lorsqu'ils atteignent l'âge d'entrer au collège sont incapables ou ne veulent pas aller dans une école intégrée. Cependant, c'est certainement important que ce collège existe plutôt que de parler de la nécessité d'en aménager.

M. Marchand (Kamloops-Cariboo): Vos attributions pour cette étude vous amènent à faire des observations sur ce sujet particulier? Je m'interroge sur l'idée d'un collège indien. Je suis né à la réserve d'Okanagan, je suis allé à des écoles indiennes jusqu'à la neuvième année puis à des écoles et j'ai toujours pensé que nous devions participer à toutes les institutions, l'école en particulier. Mais après avoir constaté le manque de succès partout au pays, je me demande vraiment s'il n'y a pas place pour un collège indien, non pas pour distinguer les Indiens des autres, mais parce que ce serait peut-être nécessaire. Ce serait peut-être une façon d'obtenir le même résultat définitif à la longue, c'est-à-dire de préparer les gens à vivre dans le milieu canadien. Qu'en pensez-vous?

M. McDiarmid: Tout d'abord, j'aimerais faire un commentaire sur le taux de succès dont vous parlez. Il me semble qu'ici nous parlons du choc violent entre culture minoritaire et culture dominante. Le taux de succès dans les écoles sera déterminé partiellement par ce que fait l'école, mais il ne faudrait pas se baser uniquement sur le problème de l'école. Il faut toujours juger selon la manière avec laquelle un groupe minoritaire est accueilli par la culture dominante. Je pourrais vous citer deux cas survenus en Ontario. Très récemment, à une école mixte, les Indiens du comté de Lambton voulaient qu'on nomme un des leurs comme représentant à la commission scolaire. La population du comté a refusé de leur accorder ce représentant, c'est un exemple de rejet de la jeunesse indienne. Il est inutile pour un jeune Indien de se préparer à notre genre de vie s'il constate que ses prédécesseurs n'ont aucune chance d'avancer.

Dans certaines régions du Nord de l'Ontario on demande aussi à la population indienne de ne se présenter à la ville qu'à certains moments pour ne pas repousser les touristes. Il ne s'agit pas ici de problème scolaire, mais je

[*Texte*]

cally, but I think it relates very much to the success of a child in school to be perceived as a person who can come to town only at certain times of the year. That is without regard to lessons, or anything else. The success rate I think is intimately tied up in this kind of thing.

Mr. Marchand (Kamloops-Cariboo): Yes, it is environment again...

Dr. McDiarmid: A social environment.

Mr. Marchand (Kamloops-Cariboo): ...that has to come into consideration. Walter Curry mentioned when he appeared before us that he felt that the age of integration should be around grade 7. What are your views on when an Indian child should integrate? I recognize that there are no simple situations, that you have to look at the total situation and that a lot of the situations are different, but is there a better age at which the children should integrate? Should they start integrating, say, in grade 1, at the kindergarten level, or should it be prolonged? Should they go along in school with their own kind, in a more friendly environment—not "friendly"; but in an environment that they know—up to a certain age and then go on? What are your views on this?

Dr. Narrol: I think there is no simple age or grade answer to that question. I think the principles behind it are the only answer you

• 1250

fort in association with school and begin to understand and admit the necessity of comfort in association with school and begin to try to provide, particularly in the initial school experience, the comfort that a child needs to like school and identify with the goals that schools sets for him, we could begin to watch for the signs that the child will continue to be comfortable in an integrated situation as he develops. I would guess that that kind of comfort would come earlier and earlier with each successive wave of children; that, indeed, the first wave of children, with whom anything orderly is done, might best integrate as late as grade 7, although I suspect perhaps a couple of grades earlier than that. But that is just a suspicion. more important is how comfortable are they in the other language, how interested are they in some of the things that they had been disinterested in previously, and how likely are they to succeed in an integrated situation?

The Chairman: I have a supplementary on this. Would there not also be the simple

[*Interprétation*]

crois que cela a une grande influence sur le succès qu'un enfant peut remporter à l'école. Le succès scolaire des enfants indiens est étroitement lié à ces facteurs.

M. Marchand (Kamloops-Cariboo): C'est encore au sujet du milieu social...

M. McDiarmid: Le milieu social.

M. Marchand (Kamloops-Cariboo): Il faut en tenir compte. M. Walter Curry, lorsqu'il a comparu ici, nous a dit que l'intégration devrait se faire vers la septième année. Qu'en pensez-vous? Je sais que ce n'est pas très simple quand on envisage la question dans son ensemble et qu'il y a beaucoup de situations différentes, mais est-ce qu'il y a un âge idéal pour amorcer cette intégration? Doit-elle se faire dès la première année ou est-ce qu'il faut que les Indiens restent dans leurs propres écoles jusqu'à un certain âge? Quelle est votre opinion là-dessus?

M. Narrol: Je crois qu'on ne peut déterminer ni la classe ni l'âge, tout dépend du principe de base qui est le suivant: maintenant que nous commençons à comprendre et à reconnaître la nécessité du confort dans les écoles et que nous voulons surtout au début assurer à l'enfant le confort dont il a besoin pour aimer l'école et pour s'identifier avec elle, il faudra mettre tout en œuvre pour que l'enfant se sente toujours à l'aise dans les écoles intégrées. Je pense que cela viendra de plus en plus tôt à mesure que les enfants se succèdent. La première vague avec laquelle on procédera d'une façon méthodique pourrait s'intégrer vers la septième année et peut-être même avant cela—mais ce sont simplement des conjectures. Ce qui est plus important est qu'ils se sentent à l'aise pour parler une autre langue. Il faut voir comment ils peuvent s'intéresser aux choses auxquelles ils ne s'intéressaient pas précédemment et dans quelle mesure ils peuvent réussir en s'intégrant.

Le président: J'ai une question complémentaire à ce sujet. N'y a-t-il pas aussi la ques-

[*Text*]

practical question of distance from where they are living to where the school is, or how far it is practical to move young children? This is something which affects every rural group of children, I would think, in Canada.

Dr. Narrol: That is true. In the far north, particularly, that could become a great problem. As Dr. McDiarmid alluded to earlier, some kinds of forced integration could be very unnatural indeed. Yet today our feeling of naturalness about busing children and so on, is growing. Where it is tolerable to the community, and where the children would feel comfortable, I think the transportation problem is less than it used to be in providing integration. However, I think that the idea of comfort, the idea of it being an accepted exciting thing to have happen instead of, "Oh, boy, here we go; we are being pushed into that school and I will not be able to see Mom and Dad for five months," or whatever it is. I think it is the preparation aspect and the feeling of comfort that you could predict on the part of the student, rather than some automatic age-related or grade-related factor.

Mr. Marchand (Kamloops-Cariboo): I have always felt that the home situations of the children have been one of the most important and limiting factors in the childs' education. Would you agree with this? In looking at the situation are you going to make observations on how some of these situations can be directed?

Dr. McDiarmid: The answer is yes. It is my impression, and I think research would adequately support this, that the home environment is the single most important environment. That does not help, unfortunately, because there are various aspects in the home environment that have more effect than others. The absence of fathers, for example, for a fair part of the year on the Manitoulin reserve, where we are, is a very important factor. There are others: thinking patterns, the lack of room for study, the parents' lack of education and of course the cultural differences in the disciplining of the children are quite different. Yes there is a great mixture of factors that contribute to lack of educational achievement.

Dr. Narrol: There are some facts coming to light that seem to tell us that even though the parental and home environment factors are extremely important, the way to receive beneficial effects in the home rather than detrimental ones, is not through attacking the home directly, but rather through supplying the necessary conditions to educate the chil-

[*Interpretation*]

tion pratique des distances de leurs demeures à l'école. Est-ce pratique aussi de déplacer de jeunes enfants? Tout cela influe sur la situation quand il s'agit d'enfants du groupe rural.

M. Narrol: C'est exact. Et dans le Nord canadien, surtout, ce serait un grand problème. Et comme M. McDiarmid a dit, toute intégration forcée pourrait être très artificielle. Cependant actuellement nous comprenons mieux que le problème du transport des élèves entre en ligne de compte. Pour pouvoir transporter des enfants, il faut que la collectivité accepte cette pratique et que l'enfant se sente à l'aise et que pour lui le fait d'aller à l'école ne signifie pas être privé de ses parents pour de longues périodes. Il y a aussi l'aspect de préparation plutôt qu'un intégration forcée à un certain âge.

M. Marchand (Kamloops-Cariboo): J'ai toujours cru que la situation qui prévaut à la maison est un des facteurs les plus importants dans toute cette question.

Eh bien, êtes-vous prêt à dire comment on pourrait agir sur cette situation?

M. McDiarmid: Oui, j'ai l'impression que la recherche vous donne raison. Le milieu familial a un rôle très important à jouer. Certains facteurs sont plus importants que d'autres. L'absence de l'influence paternelle, par exemple, peut jouer un rôle très important car dans la réserve de Manitoulin les pères sont absents une grande partie de l'année. Il y a d'autres facteurs également: la mentalité, le manque d'espace pour les études, il y a aussi le manque d'éducation des parents ainsi que la manière de discipliner les enfants qui est différente selon les cultures. Le manque de succès scolaire résulte de tout un ensemble de facteurs.

M. Narrol: Il y a certaines choses qui nous indiquent que même si le milieu familial est important, la façon de les rectifier, n'est pas de s'attaquer directement au milieu familial, mais de fournir les conditions nécessaires pour que l'enfant puisse être éduqué en dépit du milieu familial. Et ce qu'on constate, c'est quand un enfant retourne dans son milieu

[*Texte*]

dren, irrespective of those home conditions. Then what you find is that the child returns to his home educated and begins to influence the home situation in a way that you could not have done directly.

The demonstrated success of a child in class begins to create pride and interest in the home which were not there before.

• 1255

This approach can be used to help the environmental situation more directly. As I say, this used to be seen as a backwards way of starting, that is, with the child rather than with the parents. This is also an idea that is becoming current in many ways in clinical situations, where we use to believe that we could not do anything for the abnormal child, unless we were able to work with the home situation. However, the block obviously occurred very frequently where it was an impossible home with which to work. I think that once the philosophy about that changed, that efficiency changed. If you did take on, in various ways, the task of providing those things which would help you to change the child, then you found yourself relating to parents who were all of a sudden interested and reassured that some change and some progress could be made. I think the analogy holds fairly well here.

Dr. McDiarmid: The people who promote breadfast cereals knew this principle long before it was enunciated for use in the schools.

Mr. Marchand (Kamloops-Cariboo): I pass, Mr. Chairman.

The Chairman: I have a couple of questions. Have you done any research at all on the dropout rate of Indian children from schools in Canada, or are you simply working on the assumption that it is probably above normal?

Dr. McDiarmid: Oh, did we record it? Yes. We know that the dropout rate is very high. It is well above the rest of the population.

The Chairman: Have you had a look at the dropout rate in the Ontario school system of Indian children who are now within the Ontario government school system? Have you any figures on this or have you done any research on it?

Mr. McDiarmid: No. Only from conversations with principals of schools and some teachers do we know that it is still pretty

[*Interprétation*]

après avoir reçu une bonne éducation il exerce à son tour une influence heureuse sur son milieu familial d'une façon beaucoup plus directe que si on avait tenté de le faire directement. L'enfant instruit suscite la fierté au foyer. Et cela améliore le milieu familial.

Je crois que les choses commencent d'une façon indirecte par l'enfant plutôt que par les parents. C'est singulier, mais c'est là une idée qui a cours dans les situations cliniques. On envisage le problème d'une façon toute différente: on s'occupe de changer l'enfant d'abord et non les parents. On disait avant d'un enfant qui n'est pas normal, qu'il ne peut être traité à moins qu'on ne puisse travailler de concert avec son milieu familial. Et, bien souvent, on nous répondait que le milieu familial était impossible. Je crois que la philosophie a changé suffisamment de sorte que si l'on s'applique à traiter l'enfant d'abord, les parents qui voient qu'il peut faire des progrès commencent tout à coup à s'intéresser à lui. Je crois que c'est la même chose dans la situation que nous décrivons ici.

M. McDiarmid: Vous avez des gens qui annoncent des céréales et qui sont au courant de ce principe depuis belle lurette.

M. Marchand (Kamloops-Cariboo): Je passe, monsieur le président.

Le président: Quelques questions. Avez-vous fait de la recherche au sujet des enfants qui quittent l'école, chez les Indiens? Croyez-vous que c'est une situation normale?

M. McDiarmid: Ah, en avons-nous tenu compte? Oui, oui. Nous savons que le chiffre est très élevé. Le pourcentage est beaucoup plus fort que pour le reste de la population.

Le président: Est-ce que vous êtes au courant du taux d'abandon de l'école chez les enfants indiens de l'Ontario qui sont dans les écoles du système scolaire ontarien?

Avez-vous fait des recherches? Avez-vous des chiffres là-dessus?

M. McDiarmid: Non. Mais en m'entretenant avec certains directeurs d'écoles et certains enseignants, je constate que le taux est fort

[*Text*]

high. We now enter into a problem where we cannot take records of backgrounds of people. You cannot record nationality, race or religion of people on questionnaires. I think that it would be still quite fair to say that the dropout rate is still much higher than the non-Indian counterpart.

Dr. Narrol: That raises an interesting point related to the claim I was making earlier about the nearby rural non-Indian schools, that the children have a similar problem. I think this could get us to the point where we could see things in terms of regional development eventually, rather than in terms of Indian development, specifically, or non-Indian development. It will begin to become obvious that there are certain shared needs in a given community involving Indians and non-Indians, in which they could participate together and where they could really have a meaningful integration on common problems, rather than a sort of forced integration between them.

The Chairman: You are referring to a situation in the Manitoulin Island area, particularly, in this regard.

Dr. Narrol: Yes, but I am also claiming that the rural kind of environment is a different environment for children to go to school in.

The Chairman: Your contention is that children graduating from school in the Manitoulin Island area, where you have had the opportunity to make some personal observation, whether they be white or Indian, have not received the kind of school preparation that they really require in order to integrate properly into the labour economy that they are likely to find in the Manitoulin Island area, in northern Ontario, or rural Ontario.

Dr. Narrol: That is right. Indeed we regard education in a rather stereotyped way. Education tends to develop in large urban areas, and we very easily and unthinkingly shift the methods of education and the focuses of education that develop in such areas over to a rural area without thinking about it. You only have two choices, in being thoughtful about this, and probably you ought to develop a combination of both; on the one hand, think sensitively about the differences between the rural environment and what kinds of education might be needed there, that are not needed in the city; on the other hand, you ought to be thinking in a very large way about what kind of economic

[*Interpretation*]

élevé. Mais, à l'heure actuelle, nous ne pouvons recueillir des données statistiques concernant la nationalité, la race ou la religion par le truchement des questionnaires. Mais je crois qu'il est juste de dire que le taux d'abandon de l'école est beaucoup plus élevé chez les Indiens.

M. Narrol: Cela appuie la recommandation que je faisais tout à l'heure concernant les écoles rurales des environs pour les élèves qui ne sont pas indiens et qui ont un problème semblable. Je crois qu'il faudrait envisager la question en fonction du développement régional plutôt qu'en la considérant comme une question des Indiens contre les non-Indiens.

Il semble apparent qu'il faut qu'il y ait des programmes communs auxquels participent les Indiens et les non-Indiens et où les discussions porteraient sur des questions qui les concernent tous les deux. De ce fait il y aurait une véritable intégration plutôt qu'une sorte d'intégration forcée.

Le président: Parlez-vous de la situation dans l'île Manitoulin?

M. Narrol: Oui, mais je crois que le milieu rural est un milieu spécial au point de vue scolaire.

Le président: Vous voulez dire que les enfants qui finissent l'école à l'île Manitoulin, où vous avez eu la chance de recueillir certaines données, qu'ils soient blancs ou indiens, n'ont pas reçu la préparation scolaire qu'il leur faut pour s'intégrer à l'économie qu'ils vont trouver dans la région de l'île Manitoulin, dans le nord de l'Ontario ou dans les régions rurales de l'Ontario.

M. Narrol: C'est exact, nous considérons l'éducation d'une façon assez stéréotypée. L'éducation se développe dans les régions urbaines puis petit à petit l'éducation pénètre dans les milieux ruraux. On a alors le choix entre deux possibilités. Et, en y songeant, il faudrait combiner les deux. Il faut songer aux différences qui existent entre le milieu rural et le genre d'éducation spécifique qui est requis dans le milieu rural. Il faut songer également au développement économique nécessaire pour chaque région qui s'intégrerait avec l'éducation que l'on peut fournir et vice versa. On a trop l'habitude de penser que le but de l'instruction est de développer des connaissances par amour de la connaissance. Mais il

[*Texte*]

development is suitable for each given area, that would integrate with the education

• 1300

being offered and vice versa. We like to think of education as learning for learning's sake, but the economics have a great importance; whether or not the parents in a community and the children in a community will see what is being offered as curriculum, as being very important. It depends how that integrates with their existence.

The Chairman: You find that the Ontario school system, then, has a curriculum based on the needs of southern urban Ontario, with the courses directed towards graduating students who can fit into a white collar office economy, rather than a type of economy, resource-based and rural, that you find in the Manitoulin Island area.

Did you find that the curriculum of the Ontario school system is really oriented almost, entirely towards the type of needs that you find in Southern Ontario, rather than the type of needs for jobs that you find in more remote parts of Ontario?

Dr. McDiarmid: I think it is a unique school anywhere that is not ultimately fitted into the system that is preparing people to go to university. There are branches that try to get people into technological training, in special education kinds of things, but in general the system is designed for preparation for university. Of course this has been the subject of minister's commission studies and royal commission studies in an attempt to shape the education in another direction. I do not think that they have been successful. The school formally is still pretty well directed towards university.

The Chairman: So it is your experience that most of the Indian children in Ontario, who receive their education from the provincial system, are receiving an education that is based on a curriculum designed for eventual graduation to university or eventual movement in the business economy of the South?

Dr. McDiarmid: From my comparison of curricula I can be more general. I would say that this is generally the pattern in Canada

The Chairman: In Canada, as well?

Dr. McDiarmid: Yes.

The Chairman: We have heard evidence from departmental officials during the last two weeks to the effect that it has been the objective of the Department of Indian Affairs

[*Interprétation*]

faut aussi songer a la situation économique qui est très importante. Il faut aussi savoir si les parents d'une collectivité ainsi que les enfants considéreront que le programme des cours qu'on leur présente est important. Il s'agit de savoir si le programme s'intègre à leur vie ou à leur existence.

Le président: Trouvez-vous que le régime éducatif de l'Ontario, qui répond aux besoins du sud-ontarien, qui est axé vers l'acquisition de grades et qui est basé sur une économie de collets blancs, s'adapte aux besoins d'un étudiant de Manitoulin où l'économie est fondée sur les ressources naturelles?

Avez-vous trouvé que le système éducatif de l'Ontario s'oriente presque entièrement vers les offres de travail du Sud de l'Ontario.

M. McDiarmid: Je crois qu'il est rare qu'une école ne prépare pas en vue d'études universitaires ultérieures. Certaines branches préparent les étudiants à recevoir une formation technique ou autre, mais en général le système est surtout destiné à préparer les étudiants en vue de l'université. Il y a eu des études et des études pour la commission royale destinée à orienter l'éducation différemment, mais je ne crois pas qu'on ait tellement réussi et je crois que la formation scolaire s'oriente surtout vers les universités.

Le président: Donc selon vous, pour la plupart des enfants indiens de l'Ontario, la province dispense un enseignement dont le programme est conçu en fonction d'une formation universitaire et d'un emploi futur dans le Sud de l'Ontario.

M. McDiarmid: Je crois que je puis parler d'une façon plus générale, je crois que c'est le cas pour tout le Canada en général.

Le président: Au Canada?

M. McDiarmid: Oui.

Le président: Nous avons reçu des témoignages de fonctionnaires du Ministère au courant des deux dernières semaines qui ont dit que le ministère des Affaires indiennes veut

[*Text*]

to move out of education and to switch as many of its Indian students as possible into the provincial school system in Canada.

At the same time my personal observation, and this was confirmed by Mr. Currie the other day, has been that great numbers of Indian students are either dropping out or graduating from high school and returning to their reserves and their home communities ill-prepared to work in any kind of job that might be available to them in the general area where their families are. Do you feel, fitst, that the provincial educational system in Ontario is up to this task of giving some special attention to the needs of these students from rural and remote communities, mainly Indian? Second, do you feel it is wise for the federal Department of Indian Affairs to be turning students over to a system that really is not offering any better way out? Do you have a comment?

Dr. McDiarmid: I wonder if I could branch out a little widely and try to answer this. I take it as a general principle that it is a good thing to decentralize administration. If there are reasons why decentralization does not work then obviously that has to be the overriding concern. There may be national problems, for example, that inhibit decentralization. However, it seems from all we have seen about schools, the greater extent to which we can put educational problems in the hands of the local people concerned, the greater extent we can expect some kind of success in that school. If it is necessarily a school district of three schools, for example,

• 1305

then that is the unit we might speak of. So it seems to me that speaks to part of the question that you had.

It may be that the Indian Affairs Branch does not have a different goal for education than does each of the separate provinces. It is true that the Indian Affairs Branch adopts the curriculum of each of the provinces in which the schools are located, so one would not expect the curricula to be greatly different. Whether the curriculum is adapted to the local people has really up until very recently not been a major factor. At least as far as the paper is concerned and in practice it is still the case that curricula generally are centrally determined. This again, I think, speaks to the principle of decentralization.

Dr. Narrol: It would seem more likely that a smaller unit like a province would be oriented, particularly these days, toward greater

[*Interpretation*]

se retirer de l'éducation pour que la plupart des étudiants indiens s'intègrent au système provincial d'éducation.

En même temps j'ai constaté personnellement et cela d'ailleurs a été confirmé par M. Currie l'autre jour, qu'un grand nombre des étudiants Indiens abandonnent l'école, ou même finissent l'école secondaire pour retourner dans leur réserve mal préparés à accomplir tout travail disponible dans les régions où demeurent leurs familles. Estimez-vous tout d'abord que l'éducation, que le système provincial d'éducation de l'Ontario est capable de préparer ces élèves en vue des besoins d'une région rurale éloignée composée surtout d'Indiens. Deuxièmement, croyez-vous que le Ministère des Affaires indiennes fait bien d'abandonner ces étudiants indiens à un système qui n'offre pas de meilleure solution?

M. McDiarmid: Peut-être pourrais-je vous répondre de façon assez générale. Je crois qu'en principe c'est une bonne chose de décentraliser l'administration. Si pour certaines raisons la décentralisation n'est pas bonne, il faut s'y attaquer. Il y a des problèmes nationaux qui empêchent la décentralisation. Dans le cas des écoles plus les problèmes éducatifs seront entre les mains des personnes de l'endroit, meilleurs seront les résultats. S'il s'agit d'un district scolaire dont relèvent trois écoles alors cela répond peut-être à une partie de votre question.

Il se peut que la Direction des Affaires indiennes n'a pas d'autres préoccupations que celles de chacune des provinces en ce qui concerne l'enseignement. La Direction des Affaires indiennes adopte le programme de chacune des provinces où se situent les écoles. Que le programme soit adapté à la population locale, cela n'a pas été de grande importance jusqu'à tout dernièrement. En théorie, et en fait c'est toujours le cas, les mêmes programmes sont déterminés pour tout le pays. C'est la raison pour laquelle on veut décentraliser.

M. Narrol: Il serait plus probable qu'une province, veuille la décentralisation. De plus lorsque l'éducation relève de la province, les

[*Texte*]

decentralization and more able to power that than a larger central unit like the federal government.

I think it is coming to the attention of provinces that their areas have special needs, and that when education is located as a provincial concern local pressures can be brought to bear.

Dr. McDiarmid: I have a caveat I would like to introduce here though. When we refer to this matter of integration it seems to me that we are talking to dominion representatives, and as the matter of Indian education is in your charge that it would be a reasonable kind of expectation for the dominion government to have certain requirements satisfied before they handed over education in a general kind of way. I am led to believe by my observations, and I have given my limitations already so I will not exhibit humility more than that, that those reserves which may come under provincial control might better be handed over one at a time rather than wholesale. It seems to me then that observers could go in and maybe specify some of the local conditions that ought to obtain before this is handed over. I would also like to think that this would never be done if the local Indian people either were not ready for it or were not willing to have this happen. I really think there ought to be that room for exception. If there are some holdout reserves in one of the provinces, let the success or lack of success of the other places recommend itself to the Indians who hold out.

The Chairman: Are the authorities of the education department of the Province of Ontario following your studies very closely? Have they indicated that they are going to be prepared to listen to you people once your studies are complete? Is there liaison now between yourselves and the provincial Department of Education?

Dr. McDiarmid: We are on very close relationships with Walter Currie.

The Chairman: I do not know whether it is possible for you people to give this kind of an opinion now, or whether you would want to, but I think we are going to find ourselves, if we do reach a point where we feel we can make some firm recommendations as a Committee, wondering whether or not we should urge the federal government to do something along the lines you have just finished suggesting; that they not turn over any more schools or student populations to the provincial education system until they are satisfied that the curriculum is such that the students

[*Interprétation*]

pressions des localités peuvent être plus fortes.

M. McDiarmid: Lorsque nous parlons d'intégration, il me semble que nous parlons sur le plan fédéral et que le gouvernement fédéral devrait exiger que les provinces remplissent certaines conditions avant de leur céder le secteur de l'éducation. Je suis porté à croire, d'après de ce que j'ai pu observer, et je vous l'ai déjà dit, qu'il serait préférable de confier les réserves dont le gouvernement provincial s'occupera une à une à ce dernier et non pas en bloc. Il me semble que des observateurs pourraient alors déterminer certaines des conditions qui doivent exister avant que cette cession ait lieu. Et j'espère qu'elle n'aura pas lieu si les Indiens ne sont pas prêts ni désireux d'obtenir ce changement. Je crois que ces exceptions doivent être prévues et s'il y a certaines réserves qui ne veulent pas être cédées dans certaines parties de la province, il seraient bon qu'elles soient par la suite amenées à le faire en voyant le succès remporté dans d'autres réserves.

Le président: Est-ce que les autorités du ministère de l'Éducation de la province d'Ontario dont nous parlions ont suivi de très près vos études, sont-elles disposées à vous écouter? Etes-vous en contact avec le Ministère?

M. McDiarmid: Nous avons des relations très étroites avec M. Walter Currie.

Le président: Je ne sais pas si vous pouvez donner un tel avis maintenant et même si vous voulez en donner, toutefois si nous n'arrivons pas à donner des propositions fermes en tant que Comité, nous nous demanderons si oui ou non nous devrions demander au gouvernement fédéral de faire quelque chose du genre de ce dont vous venez de parler c'est-à-dire que le gouvernement fédéral ne confie pas d'autres écoles, d'autres élèves au régime provincial d'éducation avant d'être persuadé que le programme est tel que les élèves qui sortiront des écoles provinciales

[*Text*]

who will graduate from the provincial school system will be prepared for the job environment that they are going to find when they finish school, in the areas in which they are going to be going to school. I would like to know whether you feel this sort of recommendation would be justified at this point; whether there are good arguments in the face of the large numbers of students who are dropping out of school now, who are graduating and who are unemployed. The fact is that unemployment among Indian young people is probably higher, if not percentage-wise now than it was.

Certainly we have large numbers of unemployed Indian young people, and the immediate prospects are for the situation to get worse rather than to get better. Now given this, until the provincial school systems indicate that they are aware of the problem and are taking steps to correct it should we not simply call a halt to turning over students to the provincial systems and try to work out a better curriculum at the federal level as well?

• 1310

Dr. McDiarmid: There can be too great a reliance on the word "curriculum". Curriculum might be a word for example to refer to the kinds of things that we have here that exhibit cultural content for the Blackfoot Indian of Alberta, or curriculum could be defined as the course of studies that indicates the sequence of arithmetic concepts that are to be taught across several grades of school. If it just does that then that is really a pretty mechanical thing. If you wish to write in a kind of operational definition of curriculum where it exists in the behaviour patterns of the teachers involved, then it is not so easily achieved by saying you have to have this. The whole matter of teacher education, of learning what will work in an educational setting such as we have described here and then training people in this use, whether it is in-service training or pre-service training, has to be considered. To wait for that to be operational might be to wait too long because of other factors. My reference before of getting certain guarantees out of the provinces interested in assuming control of the schools might relate to some wider things. I would like to think for example of the remarks that we have made about studying the economic potential of an area, asking for the services that are available by guidance counsellors, or perhaps for special education. This sort of thing might be the kind of guarantee that you would want to be sure that schools have.

[*Interpretation*]

seront préparés à la vie qu'ils connaîtront lorsque qu'ils auront terminés leur classe dans les régions où ils se trouveront. Je me demande si vous pourriez me dire si nous pourrions présenter une proposition de ce genre. Y a-t-il moyen de faire valoir qu'il y a trop d'élèves qui abandonnent leur classe, et d'autres qui ne se trouvent pas de travail.

Il faut se souvenir que le taux de chômage est plus élevé chez les indiens et cela ne peut qu'empirer. Étant donné cela, et jusqu'à ce que les autorités scolaires provinciaux montrent qu'elles sont au courant du problème et qu'elle prennent des mesures pour y remèdier, ne devrions-nous pas mettre un terme à nos initiatives de leur confier des étudiants et essayer d'améliorer notre programme d'études au niveau fédéral.

M. McDiarmid: On pourrait trop se fier au terme «programme d'études». «Programme d'études» pourrait être un terme qui veut dire, par exemple, ce que nous avons ici et qui expose l'élément culturel des Indiens Pieds-Noirs de l'Alberta, ou «programme d'études» pourrait être défini comme le cours d'études qui indique l'échelonnement des principes arithmétiques qui sont enseignés dans plusieurs niveaux scolaires. Dans ce sens, c'est une chose vraiment mécanique. Si vous voulez ajouter une définition opérationnelle du terme «programme d'études,» où il existe dans le comportement des instituteurs concernés, ce n'est pas aussi facile d'y arriver en disant qu'il faut avoir cela. Toute la question de formation des professeurs, d'apprendre ce qui marchera dans un milieu comme celui dont nous parlons, et la formation des gens à cette fin, que ce soit la formation en cours de service ou la formation de préservice, tout cela doit entrer en ligne de compte. Attendre que tout pour fonctionner pourrait attendre trop longtemps à cause d'autres facteurs. Mon allusion antérieure à l'obtention de certaines garanties de la part des provinces intéressées à assumer le contrôle des écoles pourrait se rapporter à des choses plus étendues. Je pense, par exemple, aux observations que nous avons faites au sujet de l'étude de la possibilité économique d'une région, en demandant les services disponibles de conseillers en orientation, ou peut-être l'éducation spéciale. Cela pourrait être une sorte

[*Texte*]

Dr. Narrol: I think as you were developing your thoughts on the matter you raised a very important distinction between making the criterion for handing over the student population that of curriculum readiness as opposed to a demonstration by the province of an awareness of the problems and an intent and a mechanism for doing something about it. I think the latter is the most important. If you can develop criteria on which you can base a judgment that this province knows they have a special problem, they have begun to enlist special people to take care of it, to study it, to do something about it, that is far more important than seeing that there has already been a change in textbooks or things, because the trand these days is to develop special curriculum material, special textual material right in the classroom rather than in great packages.

The Chairman: Thank you.

Dr. McDiarmid: I wonder if you would permit a question from one of us. Have you called any evidence from the Canadian Broadcasting Corporation on what its future might be in this field with respect to radio. The use of transistor radios in Africa right now is a form of education that is contributing to adult development. I wonder also if, considering problems in northern Canada, whether CBC-TV would not have some role to play?

The Chairman: I had a question to ask. We have not called the CBC yet but I was going to ask whether you foresaw in the application of the results of your studies the formulation of useful programs for satellite televi-

• 1315

sion. These will be available in two or three years for our northern communities and will revolutionize the teaching capacity at least in these areas. Do you foresee the results of your studies being adapted for use by satellite TV?

Dr. McDiarmid: Because we have looked at it very little it is difficult to answer, but as for cultural content I would say, yes. There is no doubt about the teaching capacity of a television set. The greatest concern of the Navajo people that I referred to earlier was the fact that as their children watched televi-

[*Interprétation*]

de garantie dont vous vous voudriez vous assurer de l'existence dans les écoles.

M. Narrol: Je pense qu'en élaborant sur cette question, vous avez soulevé une distinction très importante entre l'établissement de critères pour le transfert de la population étudiante, celle qui est prête au programme d'études, et la manifestation par la province d'une connaissance des problèmes, d'une intention et de ses moyens en vue de faire quelque chose à ce sujet. C'est ce dernier point qui est le plus important. Il s'agit de mettre au point des critères sur lesquels vous pouvez fonder un jugement que cette province sait qu'elle a un problème spécial, et qu'elle a commencé à engager des spécialistes pour s'en occuper, l'étudier et le régler. C'est beaucoup plus important que de constater s'il y a eu des changements de textes, de manuels etc. La tendance actuelle est de mettre au point des matières spéciales de programme d'études, des textes spéciaux dans les classes mêmes plutôt que dans l'ensemble des écoles.

Le président: Merci beaucoup.

M. McDiarmid: Je me demande si vous me permetteriez de poser une question. Est-ce que vous avez obtenu des témoignages de la Société Radio-Canada quant à son avenir dans ce domaine surtout en ce qui a trait à la radio. Les radios à transistors sont utilisés en Afrique, à l'heure actuelle, comme d'enseignement qui contribue à l'enseignement aux adultes. Je me demande également en prenant en considération les problèmes du Nord canadiene, si la télévision de Radio-Canada n'aurait pas un rôle à y jouer?

Le président: Justement, j'avais une question à poser. Nous n'avons pas encore fait comparaître la Société Radio-Canada, mais j'allais demander si, dans l'application des résultats de vos études, vous prévoyez la formulation de programmes utiles pour la télévision par satellite. Nous aurons ces programmes dans deux ou trois années pour nos localités nordiques et il révolutionneront l'enseignement du moins, dans ces régions. Prévoyez-vous que les résultats de vos études pourront être adaptés en vue de leur utilisation par la télévision par satellite?

M. McDiarmid: Comme nous n'avons encore prêté que peu d'attention à la chose, il est difficile de répondre, mais pour ce qui est de l'élément culturel, je dirais oui. Il n'y a pas de doute que la télévision peut être utilisée à des fins d'enseignement. La plus grande inquiétude du peuple Navajo, dont j'ai parlé

[*Text*]

sion programs their own children identified with the fellow in the white shirt and not the black shirt, the good guy. And invariably the good buy is the non-Indian and the bad guy is the Indian. When the children play cowboys and Indians nobody wanted to be the Indian. All the Indian children wanted to be the cowboy. Now this is learned quite directly from TV programs. If one can learn that sort of attitude from a program, it seems to me it might be worthwhile thinking that you could learn a much more positive attitude.

The Chairman: Are you thinking about this in your progress towards arriving at some conclusion?

Dr. McDiarmid: For an answer I can only say that we think it is important. We would like to think one day that we can direct our attention to it, but we have quite a big chunk to chew now. Is that how you feel?

Dr. Narrol: Yes. You have to struggle to maintain some focus of some sort on the problems you give immediate priority and I would think that as curriculum material is unearthed and is there for people to use that people who are specialists in the area of creating educational content for television would do it. If not, there are adequate resources around which would do this. Whether we would be involved any more than stimulants or pushers is difficult to foresee.

The Chairman: We had evidence from the Committee that some minor discussions have gone on between the Department and CBC on this subject, but we received the impression that these discussions were rather superficial, that they had not gone into the thing in depth at all.

Mr. Marchand.

Mr. Marchand (Kamloops Cariboo): I just had one supplementary comment here, Mr. Chairman, and I did not want to let it go by. I know that we cannot generalize, that we have to look at all of the facts involved. You were talking about curriculum development in the federal government and this sort of thing, and we would certainly have to look at all of these factors before we as a Committee could make any recommendations. I just wanted to state that I feel very strongly in a fundamental way that education of Indians should be the responsibility of the prov-

[*Interpretation*]

plus tôt, était le fait que leurs enfants, lorsqu'ils regardaient les programmes de télévision, s'identifiaient avec le type portant une chemise blanche et non avec celui portant une chemise noire, soit le héros. Et invariablement, le héros est un non-Indien et le mauvais type est un Indien. Lorsque les enfants jouent aux vachers et aux indiens, personne ne veut être l'Indien. Tous les enfants indiens veulent être le vacher. Cela s'apprend assez directement des programmes de télévision. Si quelqu'un peut être influencé de la sorte par un programme, il me semble qu'il pourrait valoir la peine de penser qu'on peut y puiser une attitude plus positive.

Le président: Y pensez-vous dans votre recherche d'une conclusion?

M. McDiarmid: Je ne peux que vous répondre que nous croyons que c'est important. Nous espérons pouvoir un jour y prêter toute notre attention, mais nous avons beaucoup de pain sur la planche à l'heure actuelle. Est-ce ce que vous croyez?

M. Narrol: Oui. Il faut combattre pour maintenir un point de quelque nature sur les problèmes auxquels vous accordez une priorité immédiate, et je croirais, puisque le matériel du programme d'études est déniché et qu'il est là pour que les gens l'utilisent, que les personnes qui sont spécialistes dans le domaine de création d'éléments éducationnels pour la télévision le feraient. Si non, il y a certainement des ressources appropriées qui le feraient. Il est difficile de prévoir si nous seront engagés au-delà du rôle de stimuler et d'encourager.

Le président: Nous avons eu la preuve, de la part du Comité, que des discussions mineures ont eu lieu entre le ministère et la Société Radio-Canada à ce sujet, mais nous avons eu l'impression que ces discussions étaient plutôt superficielles, qu'on n'avait pas du tout approfondi le sujet, monsieur Marchand.

M. Marchand (Kamloops-Cariboo): Je n'ai qu'un autre commentaire à faire ici, monsieur le président, et je ne veux pas le laisser passer. Je sais que nous ne pouvons généraliser, que nous devons nous occuper de tous les faits concernés. Vous parliez d'établissement de programmes d'études dans le gouvernement fédéral et de choses semblables, et nous devrions certainement nous occuper de tous ces facteurs avant que nous puissions faire des recommandations en tant que Comité. Je voulais simplement déclarer que je crois très sincèrement que l'éduca-

[*Texte*]

inces. There are so many things to commend it and they far outweigh, in my view, any other consideration. I think it is really basically wrong that there should be a department of government devoted to a race of people. So going from here, fine, you have to educate the provinces perhaps in some respects. But they have the facilities, they have the resources. Education is their field. The federal government does not have the resources moneywise. You can ask some of the witnesses from the Department about money. We have heard about ideal situations, that you should not consider money, but money is a real factor and you have to consider it. It is really just in the last few years that they have had perhaps adequate funds from the government to be able to get at some of the things in curriculum development and research that really has been required in the program for so long. But fundamentally it is wrong that there should be a department of government devoted to a race of people.

The Chairman: Thank you very much, gentlemen, for having come here today. I know your comments will be used by the Committee in their deliberations and will be

• 1320

very useful when we have to eventually decide upon some recommendations.

Dr. McDiarmid: It is our pleasure.

Dr. Narrol: Thank you for the opportunity.

[*Interprétation*]

tion des Indiens devrait relever des provinces. Il y a tellement de facteurs qui le commandent et, à mon avis, ils dépassent de beaucoup toute autre considération. Je crois que ce serait une erreur fondamentale que de consacrer un ministère du gouvernement à une race de gens. Jusqu'ici, tout va bien, vous devez peut-être renseigner les provinces dans une certaine mesure. Mais elles ont les installations, elles ont les ressources. L'éducation est leur domaine. Le gouvernement fédéral n'a pas les ressources monétaires. Vous pouvez vous en informer auprès de certains témoins du ministère. Nous avons entendu parler de situations idéales, qu'il ne faudrait pas s'arrêter au problème d'argent, mais l'argent est un réel facteur et il faut s'y arrêter. Ce n'est vraiment qu'au cours des quelques dernières années qu'ils ont peut-être reçu du gouvernement les fonds appropriés pour en arriver à accomplir quelque chose en fait d'établissement de programme d'études et de re recherches, ce qui, depuis si longtemps, étaient vraiment une nécessité dans le programme. Mais fondamentalement, c'est une erreur de croire qu'il faudrait un ministère du gouvernement consacré à une race de gens.

Le président: Je vous remercie beaucoup, messieurs, d'être venus ici. Je sais que les membres du Comité se serviront de vos commentaires dans leurs délibérations et que nous les trouverons très utiles lorsque nous aurons à décider de certaines recommandations.

M. McDiarmid: Cela nous a fait plaisir.

M. Narrol: Nous vous remercions de cette occasion que vous nous avez fournie.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

30 vernment
ublications

OFFICIAL BILINGUAL ISSUE
HOUSE OF COMMONS
First Session
Twenty-eighth Parliament, 1968-69

FASCICULE BILINGUE OFFICIEL
CHAMBRE DES COMMUNES
Première session de la
vingt-huitième législature, 1968-1969

STANDING COMMITTEE
ON

INDIAN AFFAIRS and NORTHERN DEVELOPMENT

COMITÉ PERMANENT
DES

AFFAIRES INDIENNES et du DÉVELOPPEMENT du NORD CANADIEN

Chairman IAN WATSON *Président*

LIBRARY
JUL 23 1969
UNIVERSITY OF TORONTO

MINUTES OF PROCEEDINGS
AND EVIDENCE

PROCÈS-VERBAUX ET
TÉMOIGNAGES

No. 30

TUESDAY, JUNE 10, 1969

LE MARDI 10 JUIN 1969

Respecting

The Annual Report (1967-68)
of the
Department of Indian Affairs
and Northern Development.

Concernant

Le Rapport annuel (1967-1968)
du
ministère des Affaires indiennes
et du Nord canadien.

WITNESSES—TÉMOINS

(See Minutes of Proceedings)

(Voir Procès-verbaux)

STANDING COMMITTEE ON INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

COMITÉ PERMANENT DES AFFAIRES INDIENNES ET DU DÉVELOPPEMENT DU NORD CANADIEN

Chairman — Mr. Ian Watson — *Président*
Vice-Chairman — Mr. Paul St-Pierre — *Vice-président*

and Messrs. — et Messieurs

Badanai,
Borrie,
Cullen,
Deakon,
[1] Duquet,
Dinsdale,
Kaplan,
Laprise,
Marchand (*Kamloops-Cariboo*),
Nielsen,
Orlikow,
Orange,
[2] Schumacher,
Simpson,
Smerchanski,
Southam,
Thomson (*Battleford-Kindersley*),
Yewchuk—(20)

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

Pursuant to S.O. 65(4) (*b*)

[1] Replaced Mr. O'Connell June 5, 1969.
[2] Replaced Mr. Gundlock June 9, 1969.

Conformément à l'article 65(4)*b*) du Règlement.

[1] Remplace M. O'Connell le 5 juin 1969.
[2] Replace M. Gundlock le 9 juin 1969.

[*Text*]

MINUTES OF PROCEEDINGS

THURSDAY, June 5, 1969.

The Standing Committee on Indian Affairs and Northern Development having been duly called to meet at 9.30 a.m. this day the following members were present: Messrs. Badanai, Duquet, Kaplan, Gundlock, Orange, and Watson—(6).

There being no quorum at 10.00 a.m.; the Members present dispersed.

TUESDAY, June 10, 1969.
(32)

The Standing Committee on Indian Affairs and Northern Development met this day at 11:12 a.m. The Chairman, Mr. Watson, presided.

Members present: Messrs. Badanai, Borrie, Cullen, Deakon, Duquet, Kaplan, Orange, Schumacher, Simpson, St. Pierre and Watson—(11).

Witnesses: From the Department of Indian Affairs and Northern Development; Messrs. J. K. Naysmith, Chief, Water, Forests and Land Division, Northern Economic Development Branch; G. B. Armstrong, Head, Water Resources Section, Water, Forests and Land Division, Northern Economic Development Branch.

From the Department of Mines, Energy and Resources; Dr. A. T. Prince, Director, Inland Waters Branch; Mr. H. N. James, Chief, Engineering Division, Inland Waters Branch; Mr. A. Coulson, Head, Engineering Hydrology Section, Engineering Division, Inland Waters Branch.

From the Department of Public Works; Messrs: R. G. MacFarlane, Regional Director, Western Canada; Ken Harris, Project Manager, Engineering Programs.

From Northern Transportation Company Limited; Messrs. W. M. Gilchrist, Presi-

[*Traduction*]

PROCÈS-VERBAUX

Le JEUDI 5 juin 1969.

Le Comité permanent des affaires indiennes et du développement du nord canadien étant convoqué à une réunion à 9h.30 ce matin, les députés suivants se sont présentés: MM. Badanai, Duquet, Kaplan, Gundlock, Orange, et Watson—(6).

A 10h., comme il n'y a pas quorum, les députés présents se dispersent.

Le MARDI 10 juin 1969.
(32)

Le Comité permanent des affaires indiennes et du développement du Nord canadien se réunit ce matin à 11 h. 12, sous la présidence de M. Watson, président.

Présents: MM. Badanai, Borrie, Cullen, Deakon, Duquet, Kaplan, Orange, Schumacher, Simpson, St. Pierre et Watson—(11).

Témoins: Du ministère des Affaires indiennes et du Nord canadien: MM. J. K. Naysmith, chef de la Division des eaux, des forêts et des terres, Direction de l'expansion économique du Nord; G. B. Armstrong, chef de la Section des ressources hydrauliques, Division des eaux, des forêts et des terres, Direction de l'expansion économique du Nord.

Du ministère de l'Énergie, des Mines et des Ressources: MM. A. T. Prince, directeur, Direction des eaux intérieures; H. N. James, chef de la Division des services techniques, Direction des eaux intérieures; A. Coulson, chef de la Section de l'hydrologie, Division des services techniques, Direction des eaux intérieures.

Du ministère des Travaux publics: MM. R. G. MacFarlane, directeur régional, région de l'Ouest; Ken Harris, directeur des projets, Programmes de génie.

De la Northern Transportation Company Limited: MM. W. M. Gilchrist, président;

20462—1½

dent; L. R. Monpetit, Executive Assistant to President; W. S. Hall, General Supervisor of Operations.

The Committee continued consideration of the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year 1967-68.

The Chairman tabled a telegram from Mr. T. Butters, President of the Inuvik and Area Chamber of Commerce and it was

Agreed:—That the Clerk of the Committee be instructed to make copies of Mr. Butters' telegram and circulate them to the Members of the Committee.

The Chairman introduced the witnesses. Messrs. Gilchrist, Naysmith, Prince and MacFarlane made statements. The Members of the Committee then proceeded to question the witnesses.

Later, the Members of the Committee thanked the witnesses.

At 1:15 p.m., on motion of Mr. Orange, the Committee adjourned to the call of the Chair.

L. R. Monpetit, adjoint exécutif du président; W. S. Hall, surveillant général de l'exploitation.

Le Comité poursuit son étude du rapport annuel du ministère des Affaires indiennes et du Nord canadien pour l'année financière 1967-1968.

Le président dépose un télégramme de M. T. Butters, président de la Chambre de commerce d'Inuvik et de la région, et

Il est décidé—Que le secrétaire du Comité reçoive ordre de faire photocopier le télégramme de M. Butters et d'en distribuer des exemplaires aux membres du Comité.

Le président présente les témoins. MM. Gilchrist, Naysmith, Prince et MacFarlane font chacun une déclaration. Les membres du Comité interrogent ensuite les témoins.

Plus tard, les membres du Comité remercient les témoins.

A 1 h. 15 de l'après-midi, sur la proposition de M. Orange, le Comité s'ajourne jusqu'à nouvelle convocation du président.

Le secrétaire du Comité,
Michael B. Kirby,
Clerk of the Committee.

[*Texte*]

EVIDENCE

(*Recorded by Electronic Apparatus*)

Tuesday, June 10, 1969.

• 1110

The Chairman: Gentlemen, I will call the meeting to order. This meeting has been called at the special request of Mr. Bud Orange, M.P. for the Northwest Territories, because of the various representations which he has been receiving on the subject of the extremely low water levels in the Mackenzie River Basin this spring.

The Committee has also received some expressions of concern from residents of the Northwest Territories. I have a telegram in my hand which I received as Chairman from the Inuvik and District Chamber of Commerce expressing concern at the water levels of the Mackenzie River. If members of the Committee so wish, I will arrange with the Clerk to have copies of this telegram circulated to members. Is that agreed?

Some hon. Members: Agreed.

The Chairman: Before introducing the witnesses I would like to say that the Committee, as members are aware, is seized with the Annual Report of the Department of Indian Affairs and Northern Development for the fiscal year 1967-68, and at page 52 of this report it deals with the Water Resources Section of the Department. On this basis the Committee is authorized to look into the subject of the low water level in the Mackenzie River Basin.

The witnesses before us this morning are Mr. W. M. Gilchrist, President of Northern Transportation Co. Limited; Mr. J. K. Naysmith, Chief of the Water, Forests and Land Division of the Northern Economic Development Branch of the Department of Indian Affairs and Northern Development; Dr. A. T. Prince, Director, Inland Waters Branch, from the Department of Energy, Mines and Resources and to Dr. Prince's right there is Mr. R. G. MacFarlane, Regional Director for Western Canada, from the Department of Public Works. In the back row we have Mr. W. S. Hall, General Supervisor of Operations for Northern Transportation Co. Limited; Mr. L. R. Monpetit, Executive Assistant to the President of Northern Transportation Co. Limited; Mr. N. H. James, Chief, Engineering Division, Inland Waters Branch of the

[*Interprétation*]

TÉMOIGNAGES

(*Enregistrement électronique*)

Le mardi 10 juin 1969.

Le président: Messieurs, à l'ordre. La réunion est convoquée à la demande de monsieur Bud Orange, le député des Territoires du Nord-Ouest, sur des instances qui lui ont été présentées au sujet du bas niveau de l'eau dans le bassin de la rivière Mackenzie, ce printemps. Le comité a également reçu des instances qui ont été présentées par les résidents, je crois, du Territoire du Nord-Ouest. J'ai en main un télégramme que j'ai reçu à titre de président de la Chambre de commerce de Inuvik et de la région, qui exprime leur inquiétude à propos du bas niveau de l'eau de la rivière Mackenzie. Si certains membres du comité le veulent, je ferai en sorte que des exemplaires du télégramme soient distribués aux membres du comité.

Des voix: D'accord.

Le président: Nous avons le plasir d'accueillir ce matin, avant de présenter les témoins, le comité, qui comme les députés le savent, fait l'étude du rapport annuel pour l'année 1967-1968, en ce qui a trait au ministère des Affaires indiennes et du Nord canadien, et à la page 52, il est question de la diffusion des ressources hydrauliques. Je crois, par conséquent, que le comité a l'autorisation d'étudier cette question du bas niveau de l'eau dans le bassin de la Mackenzie.

Donc, parmi les témoins ce matin, il y a M. W. M. Gilchrist, président de la Société de transport du Nord canadien; M. J. K. Naysmith, chef de la Division des ressources hydrauliques, forêts et terres de la Direction d'expansion économique du Nord (Expansion économique), du ministère des Affaires indiennes et du Nord canadien; M. A. T. Prince, directeur de la Division des eaux intérieures du ministère de l'Énergie des Mines et des Ressources hydrauliques, à la droite de M. Prince, M. R. G. MacFarlane, directeur régional pour l'Ouest canadien du ministère des Travaux publics. Dans la dernière rangée, il y a M. W. S. Hall, surveillant général des exploitations de la Société de transport du Nord canadien; M. L.-R. Montpetit, agent exécutif adjoint au président de la Société de transport du Nord canadien; M. N.

[*Text*]

Department of Energy, Mines and Resources; Mr. A. Coulson, Head, Engineering Hydrology Section, Engineering Division, Inland Waters Branch, from the Department of Energy, Mines and Resources; Mr. G. B. Armstrong, Head, Water Resources Section, Water, Forests and Land Division, Northern Economic Development Branch of the Department of Indian Affairs and Northern Development, and Mr. Ken Harris, Project Manager, Engineering Programs, from the Department of Public Works.

Gentlemen, we appreciate it very much that you have come here this morning to appear before the Committee. Without further comment I will introduce Mr. Gilchrist, who has been before the Committee previously

• 1115

and the Committee members have always found him informative and very interesting. Mr. Gilchrist.

Mr. W. M. Gilchrist (President, Northern Transportation Co. Limited): Before I start on the main problem I would like to thank the Chairman of the Committee for allowing me to appear first. I am a little pressed for time this morning because I have a plane to catch later on.

I will try to divide the problem we have in front of us, into two parts: the near term problem and the longer-term problem, and I will try to be as concise as possible.

The near-term problem is the delivery of the freight for 1969. I think I can state categorically that Northern Transportation Co. Limited will be able to deliver the tonnage that we estimated would be moved in the year 1969. It is quite possible, but I do not think it is probable—in fact, I am almost certain that it will not occur—that we will have such a dry year that the flow of the rivers that have not been interfered with will be so low that it will affect navigation on the Mackenzie. At the moment that does not seem to be the case.

With regard to the Peace River dam, I think the worst is over. Last year the water on the Peace River was cut off almost completely by the Peace River dam. This year three turbines are running and perhaps there will be more before the year is out, but that will not affect us. I am not too sure of the figures but I think there is something better than 15,000 cubic feet per second coming down now.

The flow in the Mackenzie River should be somewhat higher this year than it was last

[*Interpretation*]

H. James, chef de la Division du génie de la Division des eaux intérieures du ministère de l'Énergie, des mines et des Ressources; M. A. Coulson, chef de la division du génie hydrologique, Division des eaux intérieures du ministère de l'Énergie, des Mines et des Ressources; M. G. B. Armstrong, chef de la Section des ressources hydrauliques, Division des ressources hydrauliques, forêts et terres, Direction d'expansion économique du Nord (Expansion économique) du ministère des Affaires indiennes et du Nord canadien, et il y a aussi M. Ken Harris qui est directeur des projets du ministère des Travaux publics.

Messieurs, nous apprécions votre présence ici ce matin, en vue de comparaître devant nous. Tout d'abord, j'aimerais présenter M. Gilchrist qui a déjà comparu devant le Comité et dont nous avons toujours trouvé les propos intéressants. Monsieur Gilchrist.

M. W. M. Gilchrist (président de la Société de transport du Nord canadien): Avant de commencer, je vais d'abord remercier le président du comité de m'avoir donné la parole en premier parce que je suis un peu pressé ce matin. Je dois prendre l'avion d'ici peu. Quant au problème dont nous sommes saisis, nous devons le diviser en deux parties. Il y a le problème immédiat et celui à longue échéance. Je tâcherai d'être aussi précis et concis que possible. Maintenant, le problème immédiat c'est la livraison des marchandises pour 1969. Je crois que je peux dire catégoriquement que la société de transport du Nord canadien que je représente pourra livrer les marchandises que nous avions estimé pouvoir livrer en 1969. Il est possible cependant, mais peu probable, en fait je suis presque certain que ce ne sera pas possible, que par suite de l'année qui s'annonce très sèche, les rivières qui n'ont pas été entravées, auront un niveau d'eau tellement bas que la navigation en sera affectée. A l'heure actuelle ce n'est pas le cas.

En ce qui a trait au barrage de la rivière de la Paix, je crois que le pire est passé. L'an dernier, l'eau a été presque complètement asséchée par le barrage de la rivière de la Paix. Cette année, trois turbines sont en marche et il y en aura peut-être d'autres avant la fin de l'année, mais ceci ne nous affectera pas. Je n'ai pas les chiffres justes, mais je crois qu'il y a environ 15,000 pieds cubes à la seconde qui coulent à l'heure actuelle.

Donc, l'eau de la rivière Mackenzie devrait être à un niveau un peu plus élevé qu'il ne l'a

[*Texte*]

year during the navigating season, provided we get a normal precipitation year. At the moment this seems to be what is going to come about. We estimated something like 265,000 tons and at the moment we have about 250,000 tons firm. We may not reach the 265,000 tons but we will certainly move the 250,000 tons that we have firm.

That is the bald statement regarding 1969. I might embellish this a bit by stating that towards the end of the year there will probably be shallow areas in the river because of low water that will give us some concern. In other words, we will be taking one barge through at a time, things of this nature. However, we weathered this last year.

Mind you, last year we only moved 207,000 tons of freight but this year we are looking for a 25 per cent increase. We are also adding a great deal of equipment and the construction of this equipment is on time. Of the 24 large barges we ordered, almost half of them are in the water now. Of the three large tugs on order, the first one went into the water the day before yesterday. The next one will go in by the end of the month and the third one about mid-July. The construction program is on time.

With regard to the long-term, or the mid-future—the next 10 years, if you wish—I think we will be faced with some problems on the Mackenzie River.

I do not think any of them are insurmountable but it is going to require planning now.

• 1120

We will have equipment capable of handling better than 300,000 tons by the end of this year including the three 4,000 horsepower tugs.

I think within the next five years we are going to be faced with pipe line construction and probably additional oil development on the Canadian side. To my knowledge we have not hit any oil yet on the Canadian side but according to the best authority I could find there are now something like 20 billion barrels of oil in the Prudhoe Bay area. This will trigger programs that will continue for as long as anybody in this room is interested.

The Mackenzie, at least in our opinion, is a natural avenue of supply and resupply whether it be by road, air or water, whatever you wish. A lot of freight is going to be

[*Interprétation*]

été l'an dernier durant la saison de navigation, pourvu que nous ayons une précipitation normale. A l'heure actuelle, c'est cela qui semble s'annoncer. Nous estimons qu'il y aura quelque chose de l'ordre de 265,000 tonnes; nous avons environ 250,000 pour le moment. Nous n'atteindrons peut-être pas les 265,000 tonnes, mais les 250,000 sont assez assurées. Voilà l'exposé assez concis de la situation de 1969. Je peux peut-être préciser davantage et vous dire que vers la fin de l'année, il y aura probablement des endroits où le niveau de l'eau sera assez bas, et cela nous donnera peut-être de l'inquiétude. Par exemple, nous ferons passer un chalutier à la fois. C'est ce que nous avions prévu l'an passé.

Nous n'avons fait passer que 207,000 tonnes de marchandises, l'an passé, tandis que cette année nous nous attendons à l'augmenter de 25 p. 100. Par ailleurs, nous ajoutons beaucoup plus de matériel et la construction de cet équipement va bon train. Des 24 chalands que nous avons commandés, il y en a à peu près la moitié de livrés, et des trois remorqueurs que nous avons commandés, le premier a été mis à l'eau avant hier. Le deuxième sera rendu vers la fin du mois, le troisième sera livré au mois de juillet. Le programme de construction, donc, est à point. Au sujet du problème à longue échéance, c'est-à-dire pour l'avenir des dix prochaines années, je crois que nous sommes aux prises avec des problèmes portant sur les eaux de la rivière Mackenzie.

Aucun de ces problèmes n'est insurmontable, mais il faut planifier dès maintenant.

Nous aurons du matériel pour faire face à plus de 300,000 tonnes à la fin de l'année courante, y compris les 24 grands chalands qui sont actuellement en construction et en partie délivrés et les remorqueurs de 4,000 c.v.

Je pense qu'au cours des cinq années qui viennent, nous serons confrontés avec la construction de pipe-lines et probablement des exploitations pétrolières supplémentaires du côté canadien. A ma connaissance, nous n'avons pas encore trouvé de pétrole du côté canadien, mais, d'après les meilleures autorités en la matière, il semble qu'à l'heure actuelle il y a 20 milliards de barils de pétrole dans la région de la baie Prudhoe. Cela va amorcer des programmes qui continueront indéfiniment, tant qu'il y aura des intéressés dans cette salle.

La Rivière Mackenzie, à notre avis du moins, est une voie naturelle d'approvisionnement et de réapprovisionnement de ce matériel, que ce soit par terre, par air ou par mer,

[*Text*]

coming around Point Barrow, and particularly to the Alaska side of the Alaska-Yukon border, but the cheapest and most direct route is down the mackenzie. We can beat the per ton tariff charge. From the West Coast at the moment it is $120 to $128 as against $85 to $86 from the Canadian side.

To increase the capacity of the Mackenzie or Northern transportation, whatever it is, we have to increase the tonnage that we can move by a single power unit. In other words, we have to be able to handle anything from the 6,000 or 7,000 ton swings that we are handling at the moment to the 20,000 or 25,000 ton because we only have four months and we cannot wait. Power units must continually move. In order to do that we will have to take a very close look at the river and we will have to develop a comprehensive and detailed plan. We have the Sans Sault Rapids, the Green Island Rapids and the area between Wrigley Harbour and the next 40 miles down to the end of the Providence Rapids. The Green Island Rapids and the Sans Sault Rapids are perhaps not major problems but they are certainly bothering us at the moment. The area between Wrigley Harbour, which is just at the mouth of the Mackenzie, and the end of the Providence Rapids, which is about 40 miles, is the major problem. I do not know what we are going to do with it. In the end it may mean a railway around it. If a pipe line comes down the Mackenzie, and I am almost certain that it will, we may be faced with handling a million tons of freight in one season. That is a lot of freight to be handled in four months. It will have to be handled in very large chunks and we do not have too much time. Part of that oil will go by tanker and part of it will come over the Alaska ranges and down to the south coast of Alaska.

The market is the Atlantic and midwest regions of the U.S.A., and to some extent in Europe, so this is where a major part of it will come and it seems to me that the natural

• 1125

route is down the Mackenzie. We do not have too much time to familiarize ourselves with what we have to do if we are going to handle and efficiently cope with the problem that is facing us.

[*Interpretation*]

selon votre choix. Beaucoup de marchandises seront transportées autour de Pointe Barrow, tout particulièrement du côté de l'Alaska et de la frontière Alaska-Yukon. Mais la route la plus directe et celle que nous pouvons emprunter à meilleur compte est celle du fleuve Mackenzie. Nous pourrons faire mieux que les frais tarifaires par tonne. De la côte Ouest, à l'heure actuelle, c'est de $120 à $128 en comparaison de $85 à $86 du côté canadien.

Dans le but d'augmenter la capacité de transport du Mackenzie, ou du Nord, comme vous l'entendez, il faut augmenter le tonnage que nous pouvons transporter par une unité de puissance unique, En d'autres termes, il faut pouvoir augmenter à tout prix des six à sept mille tonnes que nous transportons à l'heure actuelle jusqu'à 20,000 ou 25,000 tonnes, parce que nous n'avons que quatre mois pour agir et nous ne pouvons attendre. Les unités de puissance doivent toujours agir. Pour ce faire, il faut étudier attentivement le fleuve et mettre au point un plan très complet et détaillé.

Nous avons les rapides de Sans Saults, les rapides de Green Island et la région entre Wrigley Harbour et des 40 milles en aval jusqu'à la fin des rapides de Providence. Les rapides de Green Island et de Sans Sault ne présente peut-être pas des problèmes majeurs bien qu'ils nous inquiètent pour le moment. La région entre Wrigley Harbour, qui est à l'embouchure du Mackenzie et la fin des rapides Providence, à 40 milles, est un problème d'ordre majeur. Je ne sais pas ce que nous allons faire à ce sujet. A la fin, cela voudra peut-être dire un chemin de fer pour le contourner. S'il y a un pipe-line d'installé le long du Mackenzie, et je suis presque certain qu'il y en aura un, nous serons peut-être aux prises avec un million de tonnes de marchandises à manipuler dans une seule saison. C'est beaucoup de marchandises dans une période de quatre mois. Il faudra les transporter en grosse quantité et le temps presse. Une partie de ce pétrole va sortir en cargo et une autre partie va emprunter la route de l'Alaska jusqu'à la Côte-Sud de l'Alaska.

Le marché est sur la Côte atlantique et les régions du mid-ouest des États-Unis et, dans une certaine mesure, en Europe. Donc, une grande partie viendrait là et il me semble que la voie la plus naturelle est d'emprunter le Mackenzie. Donc nous n'avons pas tellement de temps pour étudier le problème et faire face d'une façon compétente et efficace à la situation.

[*Texte*]

We are all right for 1969, we are going to move the freight. I think we are going to have adequate capacity for 1970. Before the season is out we may build more equipment; it will depend on what develops. If they hit oil in the Mackenzie Delta, or anywhere on the Canadian side, we will be building equipment almost immediately, and we must improve the river.

I think that is all I have to say, gentlemen. If there are any questions I will be pleased to answer them.

The Chairman: Gentlemen, I am in your hands as far as procedure is concerned. Mr. Gilchrist has to leave the Committee by twelve o'clock. We will hear as many of the witnesses as we can between now and a quarter to twelve, at which point we will then ask questions of Mr. Gilchrist. Is this a satisfactory way of preceeding, or would you like to question Mr. Gilchrist now and then proceed with the other witnesses?

Mr. St. Pierre: When does Mr. Gilchrist have to leave, Mr. Chairman?

The Chairman: At noon. Mr. Naysmith is our next witness.

Mr. J. K. Naysmith (Chief, Water, Forests and Land Division, Northern Economic Development Branch, Department of Indian Affairs and Northern Development): I would like to address myself to the particular situation which developed this spring. As Mr. Gilchrist has very succinctly pointed out, there are really two factors involved here. Surely in terms of what happened the past month, the central issue is what was the mix. To what degree can we attribute the actual climatic and ice conditions of this spring to the low water and to what extent must we attribute other factors? Of course, the Bennett Dam is the factor that looms largest in our thinking.

In order to perhaps throw this into perspective fairly quickly, I have a couple of slides which I would like to show. Very briefly, the first one is a map of the area showing the Great Slave Lake basin with the critical point of Fort Providence, of course, at the west end, the Slave River emptying into the Great Slave Lake from the south and the major tributaries emptying into Lake Athabasca below it.

Mr. Orange: Mr. Chairman, on a point of order. While we have the map there, I wonder if someone could point out the areas that Mr. Gilchrist mentioned, the Green Island Rapids and the Providence Rapids, so the

[*Interprétation*]

En 1969, les choses vont bien, nous pourrons transporter les marchandises. Je crois que nous aurons les capacités voulues pour 1970. Avant que la saison ne soit terminée nous allons construire d'autre matériel; cela dépendra de ce qui arrivera. Si on découvre du pétrole dans le delta du Mackenzie ou quelque part du côté canadien, nous construirons presque immédiatement du matériel et il faudra améliorer le fleuve.

C'est tout ce que j'ai à dire, messieurs. Si vous avez des questions, je serai heureux d'y répondre.

Le président: Qu'est-ce que vous avez décidé? Messieurs, il vous appartient de prendre une décision au sujet de la procédure. M. Gilchrist doit nous quitter vers midi. Nous entendrons le plus de témoins possible jusqu'à 11 h. 45, et à ce moment, nous interrogerons M. Gilchrist. Cela vous va-t-il ou préférez-vous questionner M. Gilchrist maintenant et continuer ensuite avec les autres témoins?

M. St. Pierre: A quelle heure M. Gilchrist doit-il nous quitter, monsieur le président?

Le président: A midi. M. Naysmith est le prochain témoin.

M. J. K. Naysmith (Chef, Division des ressources hydrauliques, forêts, et terres, Direction d'expansion économique du Nord—Expansion économique): Je voudrais vous parler de ce qui s'est passé ce printemps. M. Gilchrist vous a dit qu'il y a deux éléments en cause. D'après ce qui est arrivé le mois dernier, le problème principal c'est de déterminer dans quelle mesure nous pouvons attribuer les conditions climatiques et les glaces de ce printemps à l'abaissement des eaux et dans quelle mesure devons-nous attribuer les autres facteurs? Évidemment, il y a le barrage Bennett qui est le facteur dominant à notre avis.

Afin de situer la question dans sa juste perspective, j'ai quelques diapositives que je voudrais vous montrer. Très brièvement, d'abord, la carte de la région. Le bassin du Grand Lac des Esclaves avec le point critique de Fort Providence, évidemment, du côté ouest, la rivière des Esclaves qui se jette du côté sud dans le lac et aussi les principaux affluents qui se jettend dans le lac Athabasca, au-dessous.

M. Orange: Monsieur le président, sur un rappel au règlement. Pendant que nous avons la carte, je me demande si quelqu'un pourrait nous montrer les régions dont M. Gilchrist a parlé, celles des rapides de Green Island et

[*Text*]

members will have an opportunity to find out where they are.

Mr. Naysmith: Wrigley Harbour through the Providence Rapids I believe was the major bottleneck that Mr. Gilchrist mentioned. The Sans Sault Rapids—and you can correct me if I am wrong—are almost off the map. They are below Norman Wells.

Mr. G. B. Armstrong (Head, Water Resources Section, Water, Forests and Land Division, Northern Economic Development Branch, Department of Indian Affairs and Northern Development): No, they are above Norman Wells.

Mr. Naysmith: Above Norman Wells, right.

Mr. R. G. MacFarlane (Regional Director, Western Canada, Department of Public Works): It is below Norman Wells but it is off the map. Green Island is about half way between Providence Rapids and the edge of the map. It is just by Fort Simpson.

Mr. Armstrong: Yes, in this area here. Fort Simpson is here. Is there anything else you would like me to point out

• 1130

Mr. Orange: I just asked that this be done so the members would be able to identify the areas.

Mr. Naysmith: I have listed the salient points in chronological order as they transpired this spring. On about May 12 the break-up did begin at Fort Providence and, of course, this is not something that happens within a well-defined period of 24 hours, or something. It is an ongoing thing. There were heavy ice conditions existing between the west end of Great Slave Lake and Providence, during the next 10-day period. On May 22 the ferry operation did begin and continued for a period of about 24 hours. Because of the heavy ice conditions that I just referred to, there was an ice jam developing and as a result water levels were going down. This ice jam developed, of course, above Providence at the extreme west end of the lake. This occurred as nearly as we can make out about May 23. With this the water levels fell continuously and by May 30 within the course of one week the water level had dropped at Dory Point which is just above Fort Providence, I believe, to a historic low of 506.17.

However, at that time the ice conditions improved. The ice dam began to break up and this alleviated the situation above Provi-

[*Interpretation*]

de Providence, afin que les députés sachent au juste où cela se trouve.

M. Naysmith: Wrigley Harbour, en passant des rapides Providence, est le principal goulot d'étranglement que M. Gilchrist a mentionné. Les rapides Sans Sault, sont presque en dehors de la carte, sauf erreur, au-dessous de Norman Wells.

M. G. B. Armstrong (Chef, Section des ressources hydrauliques, Division des ressources hydrauliques, forêts et terres, Direction d'expansion économique du Nord (Expansion économique)): Non, au-dessus de Norman Wells.

M. Naysmith: Au-dessus de Norman Wells, c'est juste.

M. R. G. MacFarlane (Directeur régional, région de l'Ouest, ministère des Travaux publics): C'est au-dessous de Norman Wells, mais ce n'est pas indiqué sur la carte. Green Island est environ à mi-chemin entre les rapides de Providence et l'extrémité de la carte. C'est tout près de Fort Simpson.

M. Armstrong: Oui, dans cette région-ci. Fort-Simpson est ici. Voulez-vous d'autres renseignements?

M. Orange: J'ai demandé que cela soit fait simplement pour que les membres soient en mesure d'identifier ces secteurs.

M. Naysmith: Cela a commencé le 12 mai à Fort Providence et bien sûr, il ne s'agit pas de quelque chose qui se produit en 24 heures. C'est disons logique. Il y avait accumulation de glace entre le côté ouest du Lac des Esclaves et Fort Providence. Et durant les 10 jours qui ont suivi, le 22 mai, le traversier a commencé à fonctionner et a continué pendant 24 heures à cause de l'accumulation de glace dont je viens de parler, il s'est produit un encombrement à la suite d'une baisse des niveaux d'eau. Cet embâcle s'est produit au-dessus de Providence à l'extrémité ouest du Lac. Autant que nous puissions le déterminer, c'était vers le 23 mai. Les niveaux d'eau baissaient continuellement et le 30 mai dans une semaine, le niveau avait baissé à son niveau le plus bas, soit 506.17

Quoi qu'il en soit, la situation à ce moment-là s'est améliorée. La débâcle a commencé de se briser et cela a amélioré la situa-

[*Texte*]

dence and improved the water level at Providence itself. As a result the water levels rose very rapidly and by June 3 the ferry was back inoperation. On June 4 a barge tow left Hay River for Fort Providence. By June 5, as you can see the water level had gone right back up to 510.43 from the low of 506.17. So in the course of six days it rose something better than four feet. Also the previous five-year average for June 5 was 510.34 so, in effect, what happened was the water went right back to its five-year average in the course of this five-day period. This, of course, leads us to believe that the chief reason for this critical situation was the ice dam which had developed at the west end of the lake.

Finally, I noted that a single NTC boat did arrive at Inuvik and it did go through at the time of the low water level. However, it was light and it was not towing, but it did arrive at Inuvik on June 6. The critical period, as Mr. Orange pointed out earlier—it was a 10 day one certainly—was from about May 23 to about June 3. As I have attempted to indicate, I think as soon as the ice jam went out this situation was quickly resolved and we did get back to 510 feet which was ample for not only the ferry operation but for the barge operation.

The Chairman: The ferry operation as distinguished from the barge operation, what are you referring to exactly?

Mr. Naysmith: The ferry operation, Mr. Chairman, is at Fort Providence and it is the connection with the highway on the south side of the river and on the north side going into Yellowknife.

The Chairman: It is the link in the Yellowknife highway.

Mr. Naysmith: That is right, yes. This is what does make it very critical, of course. If you have a 10-day period when you have no ferry operation you are without ground transportation into Yellowknife.

Mr. Kaplan: What is the width of the river at that point?

Mr. MacFarlane: It is 3,820 feet between the two causeways. If you look for the total width it is more than that, about three-fifths of a mile.

The Chairman: How deep is the river at this point, at the ferry crossing?

[*Interprétation*]

tion et le niveau d'eau à Providence même. En conséquence, le niveau d'eau a monté très rapidement et le 3 juin, les traversiers ont pu reprendre leurs opérations. Un train de chaland a quitté Hay River pour Fort Providence. Ensuite le 5 juin le niveau a remonté à 510.43 du minimum de 506.17, de sorte qu'en 6 jours, il s'est élevé de plus de 4 pieds. Depuis 5 ans, la moyenne du 5 juin était 510.34; en fait, ce qui est arrivé, c'est que l'eau a remonté à son niveau moyen de ces 5 ans au cours de ces 5 jours, ce qui nous porte à croire que la raison principale de cette situation critique, était l'embâcle qui s'est produit à l'extrémité ouest du Lac.

Enfin, un navire est arrivé à Inuvik au moment où le niveau d'eau était bas. Il n'était pas chargé heureusement. La période critique, comme on l'a signalé plus tôt, est une période de 10 jours, du 23 mai vers le 3 juin. Et comme j'ai voulu vous le dire, dès que l'embâcle s'est défait, la situation s'est améliorée rapidement et nous sommes revenus à 510 pieds, ce qui est nettement suffisant, non seulement pour les traversiers mais aussi pour les chalands.

Le président: De quoi parlez-vous exactement quand vous parlez du traversier par opposition au chaland?

M. Naysmith: C'est celui de Fort Providence qui relie cet endroit à la route, du côté sud de la rivière et du côté nord jusqu'à Yellowknife.

Le président: C'est le lien avec la route de Yellowknife.

M. Naysmith: En effet, évidemment, c'est très important et cela nous place dans une situation critique. Si vous ne pouvez pas vous servir de ces moyens pendant 10 jours, il n'y pas de moyens de transport de surface à Yellowknife.

M. Kaplan: Quelle est la largeur de la rivière à cet endroit?

M. MacFarlane: Cela fait 3,820 pieds. Sa largeur totale est plus, environ $\frac{3}{5}$ d'un mille.

Le président: Quelle est la profondeur de la rivière à cet endroit-là? A l'endroit où passe le bac?

[*Text*]

• 1135

Mr. Naysmith: I cannot answer that, Mr. Chairman, I do not know what the depth of the water is at that point.

Dr A. T. Prince (Director, Inland Waters Branch, Department of Mines, Energy and Resources): I do not think we have any information on that readily available. On the question of the hydrometric station at Fort Providence, they do metering there from time to time and I am sure they would have information on this point, but we do not have it with us.

The Chairman: Is the ferry operated by Northern Transportation Company?

Mr. Naysmith: No, it is not, it is by Territorial DPW.

Mr. Simpson: The time that the ferry was out of operation from May 22 to June 3, how does that compare with other years for this same period?

Mr. Naysmith: Under normal circumstances, I think in most other years we do not get this break in the ferry operation so it is unusual. I think at the same time it can be said that it was unusual that we had this ice jam effect forming at the west end of the lake. It has happened before, but it is an unusual event.

Mr. Simpson: What happens in the wintertime? Do they just travel across the ice?

Mr. Naysmith: Yes.

Mr. Orange: When did the icebridge break up?

Mr. Naysmith: That is a good question, Mr. Orange. I think it was some time—yes, I can answer that—It was the weekend of the first, second, third.

Mr. Orange: Of May?

Mr. Naysmith: No, no, of June.

Mr. Orange: Ice bridge?

Mr. Naysmith: You said the ice bridge, the dam you are referring to?

Mr. Orange: No, the ice bridge, the bridge across the river.

Mr. Naysmith: Sorry. The break up at Providence began about May 12 and the ice started to flow. There was a lot of ice in the river between the west end of the lake and Providence during that period.

[*Interpretation*]

M. Naysmith: Je ne sais pas quelle est la profondeur à cet endroit. Nous n'avons pas de renseignement là-dessus, je crois.

M. A. T. Prince (Directeur, Direction des eaux intérieures, ministère des Mines, de l'Énergie et des Ressources): Nous n'avons pas de renseignement. Il y a une station hydrométrique à Fort Providence qui fait des sondages à l'occasion. Ils ont certainement des renseignements là-dessus, mais nous n'en avons pas.

Le président: Est-ce que ce bac est exploité par la *Northern Transportation Co. Limited?*

M. Naysmith: Non. c'est la *Territorial DPW.*

M. Simpson: Au moment où le bac a été immobilisé du 22 mai au 3 juin, comment cela se compare-t-il avec les années précédentes par exemple?

M. Naysmith: Dans des circonstances normales, je pense que la plupart du temps nous n'avons pas cet embâcle, c'est exceptionnel. C'est déjà arrivé mais cela n'arrive pas souvent, à l'ouest du lac.

M. Simpson: Qu'arrive-t-il durant l'hiver, est-ce qu'on traverse sur la glace?

M. Naysmith: Oui.

M. Orange: Quand est-ce que ce pont de glace se brise?

M. Naysmith: C'est une excellente question, M. Orange. Je pense que c'était la fin de semaine du 1er, du 2 et du 3 juin.

M. Orange: Du mois de mai?

M. Naysmith: Non, du mois de juin.

M. Orange: Vous parlez de l'embâcle?

M. Naysmith: Le pont de glace, le barrage?

M. Orange: Non, le pont de glace à travers la rivière.

M. Naysmith: Je m'excuse, la débâcle a commencé le 12 mai. Il y avait beaucoup de glace entre l'ouest et Fort Providence.

[*Texte*]

Mr. Orange: My question really is when did the traffic cease on the ice bridge across the Mackenzie River?

Mr. Naysmith: Perhaps DPW could give us that.

Mr. MacFarlane: No, I cannot, I am sorry, but it would probably be about the end of March. There is a total of six weeks in the fall and six weeks in the spring when you cannot use the river. So obviously if we would go back six weeks from these dates you are going to know when the ice bridge went out. I think that is the easiest way of answering that question.

Mr. Simpson: Then the 10-day period was you all that much of a problem. Or, would you agree that it was not all that much of problem. It is an extra 10 day break up period granted, but you have already been without ground service to Yellowknife for how long?

Mr. Naysmith: I think perhaps it is more of a problem than under normal circumstances because you are geared under normal conditions to be moving by ground transportation at this time. You are set up to do so then suddenly you are without this service; whereas during a break-up period you are geared to move by air. So perhaps it does make a difference.

I think this presentation at any rate falls into the next obvious question. Very well, if the situation this year can be attributed primarily to the ice dam which formed, what about the long-range and what is the mix in terms of the effect of the Bennett Dam downstream and a situation such as this one occurring. I think that Dr. Prince from Energy, Mines and Resources has something he would like to say about the actual effect of the Peace dam on this question.

Dr. Prince: Mr. Chairman I might for the benefit of the Committee members just review briefly the sorts of things that the Department of Energy, Mines and Resources has been doing, not only during the period of filling of the Bennett Dam, but over quite a long period of time. We have been responsible for the hydrometric survey network, operated by the Water Survey of Canada with measurement stations; that is, stations for measuring the stream flow and the levels on the Peace River and some of its tributaries and on down through Athabaska, Slave River, Great Slave Lake and the Mackenzie.

[*Interprétation*]

M. Orange: Il s'agit de savoir quand la circulation cesse sur le pont de glace sur la rivière MacKenzie.

M. Naysmith: Le *Territorial DPW* pourrait peut-être y répondre.

M. MacFarlane: Vers la fin de mars, il y a six semaines à l'automne et six semaines au printemps où on ne peut pas utiliser la rivière c'est la réponse la plus simple.

M. Simpson: La période du 22 mai au 3 juin, ce n'est pas tellement un problème. C'est 10 jours de plus pour la période de débâcle. Mais nous avons déjà été sans services routiers jusqu'à Yellowknife pendant combien de temps.

M. Naysmith: C'est pire que dans les circonstances normales parce qu'on compte sur les transports par route à ce moment-là et soudainement, ce service fait défaut. Durant la période de débâcle vous savez qu'il faut voyager par air. Ceci nous amène à une autre question. Évidemment que la situation de cette année peut être attribuée, dans une large mesure, à l'embâcle qui s'est formé. A long terme, quels seront les effets du barrage Bennett en aval si jamais la situation se répète? M. Prince, je crois, du ministère des Mines, de l'Énergie et des Ressources pourrait peut-être nous indiquer quels sont les effets réels du barrage de la rivière La Paix.

M. Prince: Monsieur le président, pour la gouverne des députés, je vais vous donner une brève idée de ce que notre ministère accomplit, non seulement le remplissage du barrage Bennett mais depuis passablement longtemps. Nous sommes chargés de réseau d'enquêtes hydrométriques du Canada et avec des stations de mesure du débit et du niveau de la rivière La Paix et de ses affluents jusqu'à Artabaska, la rivière des Esclaves, le Grand Lac des Esclaves et le MacKenzie.

Ces services existent depuis des années et heureusement, nous avons des dossiers qui remontent à très loin et qui nous ont été

[*Text*]

• 1140

This service has been going on for many years, and fortunately we have some records dating back many years which have proven to be quite useful in connection with some of the problems that have arisen in the last year or year and a half.

For example, we have had one station at Hudson Hope on the Peace River just below the site of the dam which has a record from 1917 to 1923, a hiatus in its record until 1949, and continuous observations from then until 1966. We have had the station operating at Taylor, south of Fort St. John, for a period from 1944 through to the present time. We have stations on down the river, particularly one at Fort Providence which is quite important relative to some of the questions that have arisen.

These stations are operated by the Water Survey of Canada through its offices in Vancouver and Calgary. This particular part of the world has a sort of shared jurisdiction between these two offices, but their operations are well co-ordinated.

Since December, 1967, when the filling of the Bennett Dam began, the British Columbia Water Rights Branch issued certificates for a schedule of filling the dam and I think it should be pointed out that the total quantity of water necessary to fill the reservoir represents something over two years of total flow of the Peace River at Hudson Hope. The mean annual flow of the river is about 36,000 cubic feet per second. This corresponds to roughly 22 million acre-feet, and the total capacity of the reservoir is about 56 million acre-feet; so it represents something like two and a half years of total flow of the Peace River.

The schedule that has been established by the British Columbia Water Rights Branch was designed to remove the peaks of flow and to maintain some reasonable minimum flows to avoid completely depleting the river below Hudson Hope and below the site of the Bennett Dam. There are several important tributaries coming into the Peace River below Hudson Hope, and these of course carry the ball to a considerable extent. The flow at Hudson Hope represents roughly, on a mean annual basis, some 22 per cent of the flow of the Mackenzie River at Fort Providence; so it is a very significant part of the total flow. With the schedule of hold-back, and again looking at a mean annual basis, the calculated hold-back compared to the 22 per cent was about 16 per cent of that flow.

These various schedules of withdrawal of water from the system, of course, are based

[*Interpretation*]

très utiles pour résoudre certains des problèmes qui se sont produits depuis un an et demi.

Nous avions une station à Hudson Hope, sur la rivière La Paix, au-dessous du barrage, et nous y avons des dossiers qui remontent de 1917 à 1923, une lacune dans ces dossiers jusqu'en 1949 et des observations continues de cette année-là jusqu'en 1966. Nous avons eu la station à Taylor, au sud de Fort Saint-Jean, depuis 1944 jusqu'à maintenant. Nous avons des stations en aval, une à Fort Providence qui est très importante pour certaines des questions qu'on se pose ici. Ces stations sont exploitées par le Relevé hydraulique du Canada dont les bureaux sont à Vancouver et à Calgary. Il y a en quelque sorte une compétence partagée entre ces deux bureaux. Depuis décembre 1967, lorsqu'a commencé le remplissage du barrage Bennett, la Direction des droits de prise d'eau de la Colombie-Britannique a délivré des certificats pour un calendrier de remplissage de ce barrage et la quantité d'eau nécessaire pour remplir le réservoir représente plus de deux années du débit total de la rivière La Paix à Hudson Hope. Le débit annuel moyen de la rivière est d'environ 36,000 pieds cubes par seconde, ce qui correspond à peu près à 22 millions de pieds-acres et la capacité totale du réservoir en pieds-acre est d'environ 56 millions. Donc, c'est deux années du débit de la rivière La Paix.

Le calendrier qu'a établi la Direction des droits de prise d'eau de la Colombie-Britannique avait pour but d'atténuer les sommets et de maintenir un débit minimum raisonnable pour empêcher que l'eau ne baisse trop en aval de Hudson Hope et de l'emplacement du barrage Bennett. Il y a plusieurs affluents importants de la rivière La Paix, en aval de Hudson Hope qui contribuent à faire monter le niveau des eaux. Le débit à Hudson Hope pour une moyenne annuelle représente 22 p. 100 du débit du MacKenzie à Fort Providence. C'est donc une partie appréciable du débit global. Avec ces retenues et en se basant sur la moyenne annuelle, la retenue serait de 16 p. 100 comparée aux 22 p. 100 du débit, d'après ce qu'on a calculé.

Ces divers calendriers de retirement des eaux du système se fondent sur le rendement

[*Texte*]

on the performance of the river in its regime in a particular season. There is no control over this and some modification of the schedule was proposed and put into effect by the B.C. authorities.

I should point out that in this connection, our Department has not been a party to the schedules of hold-back or release. We have been observers of the scene. British Columbia has arranged through its own power authorities to handle the releases, and to the best of my knowledge there has been no effective federal participation in this program. In saying this, I am not criticizing the program, but I believe the Department of Transport or perhaps the Department of Indian Affairs and Northern Development or its predecessor were not a party to the agreements on these releases. In general I think the releases were realistic and were designed to avoid undue trouble in the course of filling the dam over the period of two to three years—whatever it will require.

The reservoir back of the dam appears to be somewhere in the vicinity of 40 per cent

• 1145

filled at the present time, to an elevation of 2,080 feet. The ultimate level for complete filling is at 2,200 feet above sea level. So they have some distance to go yet.

As I mentioned before, we have been in the position, mainly, of being an observer, having the agreed responsibility with the provinces to measure stream flow but not being a participant in the actual arrangements for the filling of the dam. We have been conducting studies concerning this particular operation, not at the request of the Province but because of our interest in the entire matter of stream flow and the regime of the river, or all of the rivers involved in this complex system other than minor tributaries. We have been endeavouring to forecast what might be the effect of the Bennett Dam when the reservoir back of it is completely filled, and we have made available to the Department of Indian Affairs and Northern Development a preliminary copy of this report.

This report is a study; it is a forecast and I think in connection with some of the questions that Mr. Gilchrist raised, it should be of considerable value. Whether our predictions come true or not is subject to future appraisal, but based on the hydrology on the stream flow, and on a long period of record of the behavior of this major river system, we feel that our predictions are likely to be reasonably valid.

[*Interprétation*]

de la rivière dans son régime d'une saison particulière. Il n'y a pas de contrôle là-dessus et certaines modifications au calendrier ont été proposées et mises en vigueur par les autorités de la Colombie-Britannique. Il y a lieu de signaler qu'à ce sujet, notre ministère n'a pas contribué à établir ce programme de retenue ou de relâchement. Nous n'avons été là que comme observateurs. La Colombie-Britannique a pris ses propres dispositions pour le relâchement des eaux. Et pour autant que je sache, il n'y a pas eu de participation fédérale réelle à ce programme. Je ne critique pas le programme, mais le ministère des Transports ou peut-être celui des Affaires indiennes et du Nord canadien ou son prédécesseur qui n'ont pas participé aux accords sur ces relâchements qui avaient pour but d'éviter des difficultés pendant le remplissage du barrage pendant deux ou trois ans.

Le barrage, en ce moment, ou du moins le réservoir, semble remplir à peu près à 40 p. 100, de sa capacité totale soit un niveau de 2,080 pieds. Le niveau définitif sera de 2,200 pieds au-dessus du niveau de la mer. Il reste donc, passablement de place avant d'être rempli.

Comme je l'ai déjà dit, nous avons été surtout là en tant qu'observateurs avec l'accord des provinces pour mesurer le débit de l'eau mais nous n'avons pas participé aux opérations effectuées touchant le barrage. Nous avons mené des études au sujet de cette entreprise en particulier, non pas à la demande de la province mais parce que nous nous intéressons au débit des nappes d'eau et au régime de la rivière, de toutes les rivières de ce système complexe de cours d'eau sans compter les petits affluents. Nous avons cherché à prévoir quels pourraient être les effets de la retenue des eaux du barrage de Bennett, lorsque le réservoir sera complètement rempli. Nous avons mis à la disposition du ministère des Affaires indiennes et du Nord canadien, un exemplaire préliminaire de ce rapport.

C'est une étude qui contient des prévisions relatives à certaines des questions posées par monsieur Gilchrist. Il pourrait sans doute nous dire si ces visions sont exactes ou non. L'avenir nous le dira. Mais en se fondant sur le débit, sur l'hydrologie, sur des dossiers couvrant une longue période pour sur le régime des eaux de ces cours d'eau nous croyons que nos prédictions seront assez exactes. En résumé, le barrage Bennett aura

[*Text*]

In brief, the Bennett Dam will prevent some of the rather major flooding that occurs on the Peace River above Lake Athabasca where crests of 7 feet or more have been experienced. We think that these will be minimized to a considerable extent and also the lows of flow in winter and in particularly dry seasons, or in the fall season, will be much less than they were in the past. In other words, there will be a more uniform rate of flow of the river throughout the year. The regime or performance of the river in terms of flow will be significantly altered from what it was in the natural condition, and I think, in general, altered in favour of better water management for transportation.

Mention has been made by Mr. Naysmith of the question of the ice dam that occurred late in May or the first day or two of June. This is a phenomenon that I think one can predict will happen repeatedly. It is essentially uncontrollable with the present choked condition of the outlet of the lake. There are comparatively narrow channels around an island at the head waters at the outlet of the lake. This condition is likely to recur and could perhaps be more or less independent of the better controlled releases from the Bennett Dam in the future. This is a problem that can have rather serious and dramatic effects on the levels of the river at Fort Providence, and the low observed on our own gauges—5.85 feet—was the lowest ever recorded for that time of year in the period of record of that gauging station.

There have been lower levels at other times of the year, but for that particular time in early June, the 5.85 on our gauge was the lowest. But it immediately sprang up by a matter of two or three feet in the next day or two. This sort of thing could not be attributed to the control or releases from the Bennett Dam.

Basically, Mr. Chairman, this is the background of what we have been doing in connection with the problems that have arisen relative to the filling of the reservoir.

The Chairman: Thank you, Dr. Prince. We will save questions for Dr. Prince until after we have heard from Mr. Gilchrist. First on my list of questioners is Mr. St. Pierre.

• 1150

Mr. St. Pierre: Thank you, Mr. Chairman. I have a couple of questions for Mr. Gilchrist. I have several for Dr. Prince which I will leave until afterwards.

Mr. Gilchrist, has there been an additional expense for northern transportation in the

[*Interpretation*]

pour effet d'éviter certaines des grandes inondations qui se sont produites le long de la rivière La Paix au-dessus du lac Athabasca où des débordements de 7 pieds ou plus se sont déjà produits. Nous croyons que le risque de ces inondations sera réduit dans une large mesure, de plus, les diminutions de débit durant l'hiver, en particulier durant la saison sèche ou à l'automne seront beaucoup moindres que dans le passé. Il y aura un débit plus uniforme du cours de la rivière durant l'année. Le régime du débit de la rivière sera modifié sensiblement par rapport à son état naturel et cela permettra une meilleure utilisation des cours d'eau pour le transport.

M. Naysmith a parlé de l'embâcle qui s'est produite à la fin de mai ou au début de juin. C'est un phénomène dont on peut prévoir qu'il se rejettera à intervalle plus ou moins régulier. Actuellement, il est incontrôlable avec les conditions présentées à l'embouchure du lac dont les eaux s'écoulent par des canaux étroits. Cette situation et cela n'est pas du tout relié au niveau du réservoir; se reproduira vraisemblablement et dépendra plus ou moins du contrôle du niveau des eaux du Barrage Bennett dans le futur. Cela peut avoir des effets sérieux et même dramatiques sur le niveau des eaux à Fort Providence. Le point repère, 5 pieds 85, a été le niveau le plus bas jamais enregistré pour cette période de l'année dans cette station. Il y a des niveaux plus bas à d'autres moments de l'année, mais pour le début de juin, 5.85 est le plus bas niveau qu'on ait constaté. Il est, rapidement de deux ou trois pieds en une journée ou deux, mais cela ne saurait être attribué au relâchement des eaux du barrage Bennett. En somme, voilà ce que nous avons fait au sujet des problèmes qui se sont présentés par suite du remplissage du réservoir Bennett.

Le président: Merci, Monsieur Prince, nous vous poserons d'autres questions après avoir entendu M. Gilchrist. D'abord M. St-Pierre.

M. St-Pierre: Oui je voudrais poser deux questions à M. Gilchrist et j'en ai plusieurs pour M. Prince. Monsieur Gilchrist, a-t-on encouru des frais supplémentaires pour le transport au cours des deux derniers années à cause du bas niveau de l'eau. Vous avez livré

[*Texte*]

last two years as a result of lower water levels? You have delivered all your freight, but has it cost you more to deliver it?

Mr. Gilchrist: It has cost us somewhat more to deliver it. I could not tell you how much. The increase has been not so much in actual operation as in the repair of equipment. In other words, we have put holes in barges; we have ruined propellers on tugs and so forth. However, there has been an appreciable expense due to low water, although I could not tell you how much.

Mr. St. Pierre: You could not give a general, minimum-maximum estimate?

Mr. Gilchrist: Perhaps Mr. Hall could answer that question more accurately than I can.

Mr. St. Pierre: I will leave that for Mr. Hall, since we do not have very much time. Are you aware of the damage to fish stocks as a result of lower water levels, or is that another . . .

Mr. Gilchrist: I beg your pardon?

Mr. St. Pierre: Has there been damage to fish stocks to your knowledge?

Mr. Gilchrist: We are not very much involved with the actual fisheries on the lakes. I do not think I should attempt to answer that question. It would seem to me that there possibly would be damage.

Mr. St. Pierre: Has Northern Transportation made any representations to the British Columbia government, or to the B.C. Water Rights Branch, or the B.C. Hydro Authority, in regard to stream flow?

Mr. Gilchrist: As a company, no. This would be a little bit out of order for us, because we are owned by the federal government; it would be through there that such questions would be raised and representations made. We have talked with the Authority, however, only casually, as to the time and extent that the water was going to be cut off and so forth, but only in a casual way, not formally.

Mr. St. Pierre: In the informal conversations you have had, did you receive co-operation?

Mr. Gilchrist: I think we did. Mind you, the people with whom we were talking, were not in the policy-making level. However, generally I could certainly state that they sympathized with our problem.

[*Interprétation*]

vos marchandises, mais est-ce que cela vous a coûté plus cher. pour le faire.

M. Gilchrist: Oui, je crois que cela nous a coûté plus cher. Je ne puis vous donner le chiffre exact. L'augmentation n'était pas tellement pour l'expoitation elle-même que pour la réparation du matériel, réparation des chalands, etc. Mais il y a eu des frais considérables à cause du bas niveau de l'eau, bien que je ne peux pas vous dire combien.

M. St-Pierre: Pouvez-vous nous donner une estimation minimum-maximum?

M. Gilchrist: M. Hall peut peut-être répondre à cette question avec plus de justesse.

M. St-Pierre: Je vais la laisser pour M. Hall, étant donné que notre temps est limité. Est-ce que vous croyez que les stocks de poissons ont été endommagés par ces bas niveaux de l'eau ou est-ce autre chose . . .

M. Gilchrist: Pardon?

M. St-Pierre: Croyez-vous que les stocks de poissons ont été endommagés?

M. Gilchrist: C'est un sujet qui ne nous occupe pas particulièrement, donc je ne tenterai pas de répondre à la question, mais il me semble qu'il doit y avoir certains dommages.

M. St-Pierre: Est-ce que la *Northern Transportation* a protesté auprès du gouvernement de la Colombie-Britannique ou de la Division des ressources hydrauliques de la Colombie-Britannique, ou de l'Hydro de la Colombie-Britannique au sujet du débit de l'eau?

M. Gilchrist: En tant que société, non. Je crois que ce ne serait pas trop correct pour nous parce que nous appartenons au gouvernement; ce serait de là que les protestations viendraient. Mais il y a eu des entretiens avec les autorités d'une façon assez officieuse au sujet de la durée et de la quantité d'eau en question, mais non d'une façon officielle.

M. St-Pierre: Dans les entretiens officieux, trouvez-vous qu'il y a de la collaboration?

M. Gilchrist: Oui, je crois qu'il y a eu une bonne collaboration de gens avec qui nous nous sommes entretenus. Mais ils ne faisaient pas partie de la mise au point des politiques. Mais règle générale je puis vous dire qu'on s'est montré sympathique à notre problème.

[*Text*]

Mr. St. Pierre: Are you aware of the legal position of the government of British Columbia in blocking an interprovincial stream?

Mr. Gilchrist: No, I am not familiar with the legal position in this matter.

Mr. St. Pierre: I do not want to take any more of Mr. Gilchrist's time, Mr. Chairman. I am sure someone else wants to question him.

The Chairman: Mr. Orange and Mr. Simpson have indicated that they have questions.

Mr. Orange: Mr. Chairman, I would like to ask Mr. Gilchrist this: in view of the expansion that you foresee and also the problems of the Providence Rapids, is it conceivable that you would move part of your operation or expand your operation in another site, at Mills Lake, for example?

Mr. Gilchrist: I think that this is very possible. It would be the balance between operating through the Wrigley Harbour-Providence area and bypassing it through whatever means seemed to be most economical. If we bypass that part of the river, either by road or by rail, we would likely cut the equipment that we would need by as much as 25 to 30 per cent. We would increase the period during which we can operate by as much as three weeks, perhaps even more—two weeks in the spring and a week or more in the fall. For instance, we winter one tug and nine barges at Mills Lake each year. That boat is already picked up as cargo at Norman Wells, and was into Inuvik this morning. Yet, we are still having trouble with ice on Lake Athabaska; two tows were jammed in the ice as of this morning. Therefore, you see the advantage of bypassing that particular area or improving it.

• 1155

Mr. Orange: Mr. Gilchrist, in the light of this, have you any idea of the area in Mills Lake in which you would be interested? Have you selected the east or west side of the river?

Mr. Gilchrist: It would be on the west side of the river. This problem was solved over 20 years ago, when the CANOL Project went through. We had an operating base there. In fact, there is an old air strip there already. It is a natural site for them.

[*Interpretation*]

M. St-Pierre: Vous rendez-vous compte de la situation juridique de la Colombie-Britannique lorsqu'elle bloque ce cours d'eau international?

M. Gilchrist: Non, je ne suis pas familier avec la situation juridique.

M. St-Pierre: Je ne veux pas prendre plus du temps de M. Gilchrist, monsieur le président. Je suis sûr que d'autres veulent lui poser des questions.

Le président: M. Orange et M. Simpson ont indiqué qu'ils ont des questions.

M. Orange: Monsieur le président, j'aimerais demander ceci à M. Gilchrist: en vue de l'expansion que vous prévoyez ainsi que des problèmes des rapides de la providence, peut-on concevoir le délogement de ces exploitations ou l'expansion de ces exploitations vers d'autres emplacements, par exemple, Mills Lake.

M. Gilchrist: C'est fort possible. Ce serait un équilibre à réaliser entre l'exploitation des régions Wrigley Harbour et Providence en contournant la situation par les moyens qui sembleraient les plus économiques. Si nous pouvons contourner cette partie de la rivière, soit par route ou par rail, nous pourrions retrancher les dépenses entre 20 et 30 p. 100 et pourrions augmenter la période pendant laquelle nous pouvons exploiter nos livraisons de deux ou trois semaines et peut-être une semaine de plus de temps. Par exemple, en hiver, un remorqueur et neuf chalands sont à Mills Lake chaque année. Ce sont des embarcations qui ont déjà leur cargo qui sont allés de Norman Wells à Inuvik et qui sont arrivés ce matin. Et nous avons encore des difficultés avec la glace dans le lac Athabasca, je crois. Il y a deux remorqueurs pris ce matin. Alors vous voyez les difficultés qu'il y a de contourner cette partie ou d'y faire face.

M. Orange: Avez-vous songé à une région à Mills Lake qui vous intéresserait, par exemple du côté est ou ouest de la rivière?

M. Gilchrist: Je crois que ce serait du côté ouest de la rivière. C'est une question qui a été solutionnée il y a vingt ans lorsque le projet CANOL a été réalisé. Il y a une ancienne piste d'atterrissage, donc c'est un site naturel pour un emplacement de ce genre.

[*Texte*]

Mr. Orange: Did the Fort Simpson highway have any effect on your operation in relation to Mills Lake?

Mr. Gilchrist: It has not as yet. It may have when it is completed. It is really not in operation yet.

Mr. Orange: But it will have.

Mr. Gilchrist: I think perhaps it will, particularly for packaged freight.

Mr. Orange: Those are all the questions I have, Mr. Chairman.

Mr. Simpson: Mr. Gilchrist, you were mentioning that you felt there would be possibly considerable freight around Cape Barrow to the Prudhoe Bay area; although you also mentioned that you felt the most economical route was down the Mackenzie River. Can you tell me approximately what the comparable shipping seasons are around Cape Barrow or through the normal northern transportation route down the Mackenzie River?

Mr. Gilchrist: This is one of the problems of coming around Point Barrow; it can vary from season to season very drastically, depending almost entirely on the winds in the Beaufort Sea, what direction they happen to take for a matter of six weeks during the summer. If they are from the northeast, they will push right in on Barrow, and it will be necessary to have heavy icebreaker assistance to come around the Point. If the wind happen to be from the other direction, as it was last year, you would then have an open season; they had at least two months of what was practically clear sailing last year.

Coming down the Mackenzie, we have a disadvantage, and that is that you have the effect of the waters of the Mackenzie around the Delta and to the east and west opening up. We, with the shallow draft equipment, can move between the pack ice and the shore. For the most part, it is a very shelving shore where the water does not become very deep for even two or three miles; your pack ice usually grounds at about six fathoms. We frequently can get between the shore and the pack ice with our equipment. We would all be into Prudhoe Bay in two to three weeks, before they come around Point Barrow.

Mr. Simpson: Prior to oil discoveries in the Prudhoe Bay area, did Northern Transportation normally transport freight into any part of Alaska along that coast?

Mr. Gilchrist: We took exploration oil rigs in there as early as 1963 and 1964. We have

[*Interprétation*]

M. Orange: Est-ce que la route de Fort Simpson va influer sur votre exploitation à Mills Lake?

M. Gilchrist: Pas encore, peut-être quand ce sera terminé, parce que ce n'est pas encore en exploitation.

M. Orange: Mais vous croyez qu'il va y avoir des répercussions?

M. Gilchrist: Il va y en avoir en effet. Oui, je crois pour les marchandises emballées.

M. Orange: Je n'ai plus de questions, monsieur le président.

M. Simpson: Monsieur Gilchrist, vous avez déclaré qu'il y aurait un certain volume de marchandises à Cape Barrow jusqu'à Prudhoe Bay. Vous avez également dit que la route la plus économique serait la voie de la rivière MacKenzie. Pouvez-vous nous dire quelle serait la comparaison entre les saisons de transport de Cape Barrow et la saison normale du haut de la rivière MacKenzie?

M. Gilchrist: Cela dépend. Voilà un des problèmes en contournant Pointe Barrow. Cela peut varier d'une saison à l'autre d'une façon critique. Cela dépend presque entièrement des vents de de la mer Beaufort et en ce qui décide quelle direction ils vont prendre. Cela dépend des vents. S'il y a une accumulation de glace, il faudra des brise-glace. Maintenant si le vent vient d'une autre direction, comme l'an dernier, vous aviez une saison ouverte. Il y a au moins deux mois de circulation assez libre.

Venant de la rivière MacKenzie, vous avez l'avantage des eaux de la rivière MacKenzie, du delta à l'est et à l'ouest, et avec l'équipement qui ne prend pas beaucoup d'eau, nous pouvons déplacer la glace. C'est une rive de toute profondeur; la rivière ne prend pas de profondeur avant trois milles. Donc, bien souvent nous pouvons passer entre l'embâcle de glace et la rive. Nous serons à Prudhoe Bay deux ou trois semaines avant qu'ils contournent Point Barrow.

M. Simpson: Avant les découvertes de l'huile dans la région de Prudhoe Bay, est-ce que la *Northern Transportation* transportait ordinairement des marchandises dans cette partie de l'Alaska?

M. Gilchrist: Nous avons transporté du matériel pour l'exploration pétrolifère en 1963

[*Text*]

been going into that area now for seven or eight years.

Mr. Simpson: In relation to the continuation of the oil exploration program in Alaska, would you be contemplating or interested in freighting into that area?

Mr. Gilchrist: Oh, yes.

Mr. Simpson: You were mentioning that your tonnage may possibly rise as high as a million tons. Is this a possibility of a million tons annually?

Mr. Gilchrist: I doubt if it will go to a million tons annually. We never know however, if you get into pipe line construction, you will certainly be faced with a demand to move that amount of freight. Whether that will continue or not I would not be prepared to say. I can see where we may be asked to move that amount in one season.

Mr. Simpson: In one season, however, as you say, it would not be a continuing demand?

Mr. Gilchrist: No.

Mr. Simpson: You were mentioning, Mr. Gilchrist, that you had 4,000-ton tugs and 24 barges?

Mr. Gilchrist: That should be 4,000 horsepower tugs, I am sorry.

Mr. Simpson: That is my mistake, 4,000 horsepower tugs and 24 barges. Have these been on order for some time?

Mr. Gilchrist: No, we ordered them last fall, in September or October.

Mr. Simpson: Is this in anticipation of a normal expansion of your river freighting? How long has it been since Northern Transportation Company Limited have put in an order, such as this, for additional tugs and barges?

Mr. Gilchrist: We have never put in an order of this size before. We have been upgrading our shore equipment for about five years and taking some of the old obsolete or smaller tugs apart and enlarging them. This process has been going on for a number of years. Just a moment. Captain Hall tells me that the last order for a barge was in 1955. We have been actually upgrading the equipment which we have had.

Mr. Simpson: Would this present order put Northern Transportation Company Limited in

[*Interpretation*]

et 1964, donc il y a sept ou huit ans que nous passons dans cette région.

M. Simpson: Donc, cette question, par rapport à l'exploration pétrolifère dans l'Alaska, vous envisagez ou, plutôt, vous vous intéressez à transporter des marchandises dans cette région?

M. Gilchrist: Oui.

M. Simpson: Vous avez dit que vous pouviez transporter jusqu'à cent millions de tonnes.

M. Gilchrist: Non, je ne vois pas un million de tonnes par année, mais si vous envisagez la construction de pipe-lines, vous aurez beaucoup de marchandises à déplacer. Je ne sais pas si la situation va se prolonger, mais je peux prévoir qu'on nous demande de transporter ce montant pendant une saison.

M. Simpson: En une saison, toutefois, comme vous le dites, ce ne serait pas une demande constante?

M. Gilchrist: Non.

M. Simpson: Vous avez parlé, monsieur Gilchrist, d'un remorqueur de 4,000 tonnes et de 24 barges.

M. Gilchrist: Ce serait plutôt 400 chevaux vapeur et 24 chalands.

M. Simpson: Ce serait plutôt 4,000 chevaux vapeur et 24 chalands. Est-ce qu'ils ont été décommandés depuis un bon moment?

M. Gilchrist: Donc, nous vous en avons commandés l'automne dernier, en septembre ou en octobre.

M. Simpson: Est-ce en attendant une expansion normale du transport des marchandises par la voie maritime? Depuis combien de temps la *Northern Transportation Company Limited* a-t-elle commandé des remorqueurs et des chalands supplémentaires?

M. Gilchrist: Nous n'avons jamais fait passé une commande de cette envergure. Nous améliorons notre matériel du littoral depuis cinq ans; nous avons pris de vieux chalands très petits et nous les avons agrandis. On a commencé depuis un bon nombre d'années. Un instant: Capitaine Hall m'a dit qu'il avait commandé le dernier chaland en 1955. Nous améliorons maintenant le matériel que nous avions.

M. Simpson: Cette commande permettra-t-elle à la Northern Transportation Company

[*Texte*]

a position to handle this million ton order, if it were required, or to handle it, would it require another expansion such as this 24 barges and tugs?

Mr. Gilchrist: It would require another expansion. I think that I mentioned we will have equipment at the end of this, including this new equipment, which is capable of handling in excess of 300,000 tons a year. However, to handle a million tons, we would have to have additional equipment. I might state here that the reason for making this expansion is that oil exploration is continuing for the next five to ten years in the Arctic. It does not really matter what is going to happen now, it will go on. We must have this equipment even for the exploration.

Mr. Simpson: I have just one further question, I know that you are trying to get away and I certainly do not want to hold you up, but if a pipe line were to be constructed and a million tons were required to be moved for that pipe line, even though oil were discovered in the Mackenzie delta area, would not that freight tonnage drop considerably after the pipeline was constructed?

Mr. Gilchrist: I do not think so. All you would have to do is really look at the oil exploration which is going on in Alberta. They brought in the first well in 1947 and the oil exploration has gone on continuously ever since that. I do not think that there would be a great drop. There would be a drop perhaps from the million tons, something of that nature, but I think the oil exploration will demand transportation and water transportation, for years to come.

Mr. Simpson: Thank you.

Mr. Orange: May I just ask a supplementary here, Mr. Chairman? You mentioned the cost differential between going around the Bering Strait and going down the Mackenzie River valley. I think there is another factor which could enter into here and that is whether or not supplies of materials are purchased in Canada or in the United States. It seems to me that, if you want to express an

• 1205

opinion on this, by keeping the Mackenzie River open for navigation or improving it to the point of being able to handle the kind of quantities which you anticipate, there would be a much greater opportunity for Canadian manufacturers and suppliers to be involved in supply in the Arctic than if the Bering Strait were the alternative.

[*Interprétation*]

Limited de s'occuper de cette commande d'un million de tonnes, s'il le fallait, ou pour s'en occuper aura-t-elle besoin d'une autre commande de 24 chalands et remorqueurs?

M. Gilchrist: Il faudrait du matériel supplémentaire. Je crois que j'ai déjà dit que nous recevrons du matériel, y compris le nouveau matériel, qui permettrait de transporter 300,000 tonnes par an. Mais, pour transporter un million de tonnes, il faudra du matériel supplémentaire. J'ajouterais que la raison pour laquelle nous avons décidé d'élargir nos cadres est que les recherches pétrolières continueront dans l'Arctique pour cinq ou dix ans. Ce n'est pas vraiment ce qui se fait maintenant mais, le fait que cela se poursuivra. Il nous faut le matériel même pour la recherche.

M. Simpson: J'ai une autre question à poser. Je sais que vous voulez partir et je ne voudrais pas vous retenir mais si l'on construisait un oléoduc et s'il fallait déplacer un million de tonnes, même si l'on découvrait du pétrole dans la région du delta du Mackenzie, le tonnage des marchandises à transporter diminuera-t-il considérablement après la construction de l'aléoduc?

M. Gilchrist: Je ne crois pas. On n'a qu'à étudier l'exploitation pétrolière en Alberta. Le premier puits fut construit en 1947 et on poursuit l'exploitation depuis lors. Je ne crois pas qu'il y a une grande baisse. Il y aura peut-être une baisse d'un million de tonnes environ, mais l'exploitation pétrolière exigera l'utilisation de moyens de transport terrestre et maritime pour les années à venir.

M. Simpson: Merci.

M. Orange: Puis-je poser une autre question, monsieur le président? Vous avez parlé de la différence qui existait entre les frais pour contourner le détroit de Béring et descendre le Mackenzie. Il y a aussi un autre facteur qui entre en ligne de compte qui est de savoir si le matériel eat acheté aux États-Unis ou au Canada. Il me semble si vous voulez exprimer une opinion à ce sujet, qu'en laissant le Mackenzie libre à la navigation ou en l'améliorant de sorte que vous puissiez transporter des quantités nécessaires, ce serait de beaucoup préférable au détroit de Bering pour les fabricants canadiens qui pourvoient à l'approvisionnement des régions de l'Arctique.

[*Text*]

Mr. Gilchrist: I think this is extremely important to the oil exploration companies and the drilling companies of Western Canada and the suppliers in Western Canada because this opens up a fantastic market for them. If you can get a reliable transportation system on the Mackenzie, regardless of what it is, this will mean a great deal as far as you can see into the future for Western Canada for the suppliers and the manufacturers of drilling and oil exploration equipment. This is, I think, the most important feature of the Mackenzie route and it is one that argues very strongly for a comprehensive study and development of the route.

The Vice-Chairman: Is that all, gentlemen?

Mr. Simpson: Mr. Chairman, I just have a final short question. Mr. Gilchrist, could you tell us where the barges and tugs were constructed?

Mr. Gilchrist: They were constructed at locations all the way from Victoria to Toronto. Dominion Bridge Company, Limited, were the prime contractors and they sub-let to shipyards in Victoria and in Vancouver, to machine shops in Edmonton, Winnipeg. One was even fabricated in Toronto. I could go on about this for quite some time because the transportation problem on rail transportation problems was a real one. Each one of these barges was fabricated in eight sections, 12½ feet wide and 200 feet long, which took two flat-cars to move them. So in those systems we had something like 90 moving flatcars. Not only did we have to get them into Waterways and Hay River—half of them went to Waterways and half to Hay River—but we had to get them back for the next one. The railways pushed by Mr. Monpetit did quite a job for us on this. It was quite a logistic problem, but fortunately it was successful.

Mr. Simpson: Thank you.

The Vice-Chairman: Thank you, Mr. Gilchrist. Would the Committee members like to hear other witnesses first or would you like to proceed with questioning Dr. Prince? Is that agreeable?

Dr. Gilchrist: May I be excused?

The Vice-Chairman: Yes, thank you, Dr. Gilchrist. Would you like to go next, Mr. Naysmith? Mr. MacFarlane is next. Would you like to make a statement, Mr. MacFarlane?

Mr. MacFarlane: I am sorry Mr. Gilchrist is leaving but it does not matter, Captain Hall

[*Interpretation*]

M. Gilchrist: Je crois que c'est quelque chose de très important, pour les sociétés d'exploitation pétrolière et celles qui s'occupent du forage et de l'approvisionnement des provinces de l'ouest car cela permettra d'ouvrir des débouchés fantastiques. Si l'on peut avoir des moyens de transport satisfaisants sur le Mackenzie, quels qu'ils soient, cela favorisera l'expansion de l'Ouest canadien et les fabricants de matériel de forage et d'exploitation pétrolière. Je crois que c'est l'aspect le plus important du Mackenzie et c'est celui dont on devrait s'occuper pour faire une étude complète de cette voie de communication.

Le vice-président: Est-ce tout, messieurs?

M. Simpson: Monsieur le président, j'ai une dernière question à poser. Monsieur Gilchrist, pourriez-vous nous dire où furent construits les remorqueurs et les chalands?

M. Gilchrist: Ils furent construits à différents endroits entre Victoria et Toronto. La Dominion Bridge Company Limited fut la première entreprise à construire et à sous-louer des chantiers maritimes de Victoria et Vancouver à des ateliers de construction d'Edmonton et de Winnipeg. On en a même construit un à Toronto. Je pourrais parler de cela encore longtemps parce que le problème du transport ferroviaire est vraiment important. Chacun de ces chalands est fabriqué en huit parties de 12½ x 200'; il fallait deux wagons en plate-forme pour les transporter. Donc, il fallait disposer de 90 wagons en plate-forme. Non seulement il fallait leur faire emprunter la voie navigable et la rivière Hay—la moitié durent emprunter la voie navigable et l'autre moitié la rivière Hay—mais aussi il fallait les reprendre ensuite. Grâce à M. Monpetit, les chemins de fer nous ont fort aidés. Il s'agissait d'un problème de logistique mais heureusement, nous l'avons résolu.

M. Simpson: Merci.

Le vice-président: Merci, monsieur Gilchrist. Les membres du Comité désirent-ils entendre les autres témoins ou veulent-ils poser des questions à monsieur Prince?

M. Gilchrist: Voulez-vous m'excuser?

Le vice-président: Oui, merci monsieur Gilchrist. Vous avez la parole monsieur Naysmith? Monsieur MacFarlane est le suivant. Avez-vous une déclaration, monsieur MacFarlane?

M. MacFarlane: Je regrette que monsieur Gilchrist doive partir mais le capitaine Hall

[*Texte*]

is here. We have also been studying the Mackenzie, and we have a long-range study on now. Our biggest customer, of course, is the NTCL and in this study we are trying to keep in mind the equipment which we have and the demands on the shipping. Our big program this year is the opening up of the Sans Sault Rapids, which was a four-year program. We are going to back it up and hope to have it finished next year to the width and depth and distance which will permit NTCL to navigate without the damage that is claimed by Mr. Gilchrist to his equipment.

We have only three dredges on the Mackenzie. Our annual costs now are about $300,000 a year. To meet any accelerated program, which is being spoken of by NTCL, may mean that we will have to put more equipment on the river. I think this should be the product of a marine study which is now going

• 1210

on. I am hopeful that we will have the answer to it by next winter. We have to do some economic balancing here.

I do not know whether this is a problem for the Committee or not, but I think it should be borne in mind what it may cost us to upgrade our equipment and to accelerate a program. We are spending $300,000 a year now. I have our dregding program for this year which I can certainly table. I have also been doing some forecasting which takes me into the next 25 years with present equipment. So you can see the objectives we are pointing towards and the time it may take us. I have no more statements on that.

I think the Providence crossing and the ferry were adequately handled. I believe you gentlemen understand that it was an ice dam that caused most of the problem.

Someone asked a question about the water level at Providence during the ice jam. I really do not know the answer but perhaps I can answer in an indirect way. The ferry draws 3 feet 7 inches and it got stuck, so you have an idea where a low spot is anyway. A new ferry is now under study. We have consultants. This may be a point you wish to ask questions on.

The *Johnny Berens* is ultimately destined for the Liard River. We hope to have the road completed to Fort Simpson by the Fall of 1970, and therefore, the ferry will be need-

[*Interprétation*]

reste avec nous. Nous avons aussi étudié le Mackenzie et nous poursuivons maintenant une étude à long terme. Notre meilleur client est la NTCL et nous essayons de tenir compte de l'équipement que nous possédons et de la demande d'expédition maritime. Notre but cette année est l'ouverture des Rapides Sans Sault que nous avons entreprise depuis quatre ans. Nous espérons terminer le travail l'an prochain pour ce qui est de la largeur, de la profondeur et de la distance qui permettra à la NTCL d'emprunter la voie navigable sans endommager le matériel de M. Gilchrist.

Nous n'avons que trois dragues sur le Mackenzie. Les frais annuels s'élèvent à environ $300,000. Pour faire face au programme accéléré dont parle la NTCL, nous devrons augmenter notre matériel sur le fleuve. Ce sera le résultat d'une étude maritime qui est en cours en ce moment. J'espère que nous aurons les solutions pour l'hiver prochain. Mais il nous faut procéder à un certain équilibre économique ici.

Je ne sais pas si le problème relève du Comité ou non, mais je crois que nous devrions avoir à l'esprit ce que cela pourrait nous en coûter pour améliorer notre équipement et pour accélérer un programme. En ce moment, nous dépensons $300,000 par année. J'ai notre programme de dragage pour cette année et je peux certainement le déposer. J'ai aussi fait des prévisions qui me mènent aux prochaines 25 années, avec l'équipement actuel. Vous voyez donc les objectifs vers lesquels nous nous orientons et le temps qu'il faudra peut-être y mettre. Je n'ai rien à déclarer sur le sujet.

Je crois que le problème de la traversée à Providence et celui du traversier ont été dûment pris en main. Je crois que vous comprenez messieurs qu'il s'agissait d'une embâcle de glace qui a été la cause de tout le problème.

Quelqu'un a demandé quel était le niveau de l'eau à Providence au cours de l'embâcle de glace. Vraiment, je ne connais pas la réponse, mais je pourrais procéder indirectement. Le Traversier a un tirant d'eau de 3 pieds et 7 pouces et s'est enlisé; vous avez donc une idée où il y a un haut fond. On est à établir les plans d'un nouveau Traversier. Nous avons des conseillers. C'est peut-être à ce sujet que vous désiriez poser des questions.

Le *Johny Berens* est destiné éventuellement à la rivière Liard. Nous espérons que le chemin de Fort Simpson sera terminé à l'automne 1970, et, conséquemment, on aura

[*Text*]

ed there for the *Johnny Berens* for the spring operation of 1971. I have nothing more to say, gentlemen, as a statement.

The Vice-Chairman: Thank you, Mr. MacFarlane. Dr. Prince, I believe you had something additional to your earlier statement before we begin questioning.

Dr. Prince: Yes, Mr. Chairman. The matter of the forcasting of levels on the River for operational purposes and so on is something that has come up due to the recent difficulties that have arisen. We have made arrangements through our Calgary office to provide certain information. This week we hope to implement forcasting of levels of perhaps a week or so in advance and this information of anticipated levels will be made to the northern transportation company and to the Department of Indian Affairs, and Northern Development.

This will have to be information that is rather quickly gathered from the records of our gauging stations on the River. We will take into account information from up-stream on levels and flows and we will try to anticipate the condition of the River.

We hope to have daily water levels taken at Fort Providence and this information will be relayed by Telex through our water survey of Canada, and Indian Affairs and Northern Transportation will be advised of the results. We hope that this service will be of assistance in the transportation operations on the River.

The Vice-Chairman: Thank you, Dr. Prince. Questions now, gentlemen?

Mr. Schumacher: Mr. Chairman, I wonder if I could ask Mr. MacFarlane whether his Department has anything to do with the construction of aircraft landing facilities in the Territories?

Mr. MacFarlane: No, this is the responsibility of D.O.T.

The Vice-Chairman: No further questions? Mr. Orange.

Mr. Orange: Mr. Chairman, in listening to Mr. Gilchrist, Mr. MacFarlane, and Mr. Naysmith, it seems to me that we are on the brink of a major economic development in the Arc-

• 1215

tic. I want to see the Mackenzie River route become the waterway for resupply in the Arctic. My reasons are selfish, I admit, but it would also be for the good of Canada. Mr.

[*Interpretation*]

besoin du Traversier à cet endroit pour le *Johny Berens* pour la manœuvre de 1971. Je n'ai plus rien à déclarer là-dessus, messieurs.

Le vice-président: Merci monsieur MacFarlane. Monsieur Prince, je crois que vous vouliez ajouter quelque chose à votre déclaration avant que nous commencions les questions.

M. Prince: Oui, monsieur le président. La question de prévoir les niveaux de l'eau aux fins de manœuvres et autres a été soulevée en raison des récentes difficultés qui se sont présentées. Nous avons pris des dispositions, par notre bureau de Calgary, pour procurer certains renseignements. Cette semaine nous espérons réaliser la prévision des niveaux d'environ une semaine à l'avance, et ces renseignements sur les niveaux prévus seront communiqués aux compagnies de navigation du Nord et au ministère des Affaires indiennes et du Nord canadien. Il faudra recueilir ces renseignements assez rapidement des dossiers de nos stations de sondage sur la rivière. Nous tiendrons compte des renseignements qui nous viennent de l'amont, sur les niveaux et les débits et nous tenterons d'anticiper le comportement de la rivière. Nous espérons qu'on établira un relevé quotidien des niveaux d'eau à Fort Providence et ces renseignements nous seront communiqués par TELEX, par l'entremise des levées hydrographiques du Canada et du ministère des Affaires indiennes. Les compagnies de transport du Nord seront informées des résultats. Nous espérons que ce service viendra en aide à la navigation sur la rivière.

Le vice-président: Merci monsieur Prince. Y a-t-il des questions, messieurs?

M. Schumacher: Monsieur le président, puis-je demander à M. MacFarlane si son ministère a quelque chose à voir avec la construction d'aménagements d'atterrissage pour avions dans les Territoires?

M. MacFarlane: Non. Cela relève du ministère des Transports.

Le vice-président: Pas d'autres questions, messieurs? Monsieur Orange?

M. Orange: Monsieur le président, en écoutant M. Gilchrist, M. MacFarlane et M. Naysmith, il me semble qu'un grand développement économique est sur le point d'avoir lieu

dans l'arctique. Je voudrais, d'un point de vue peut-être égoïste, voir le fleuve Mackenzie devenir la voie d'approvisionnement de l'Arctique, ce qui serait aussi bénéfique pour tout

[*Texte*]

Gilchrist outlined the advantages of this to the level of economic activity in Canada.

We see that there are particular problems in two or three areas of the River. Dr. Prince has pointed out that the Bennett Dam once filled should provide—I forget what the technical term is—a more equal flow along the River over a period of time rather than the highs in the spring and the lows in the fall.

The first question that comes to my mind is: Will this level be maintained to permit the use of the Mackenzie River as an Arctic shipping route? Is this what is anticipated with regard to the studies that have been undertaken by the Department of Energy, Mines and Resources?

Dr. Prince: Mr. Chairman, the question of how the control of a power producing entity and the transportation operational entity may mesh in this is something I think that needs further study. The statement that I made was to the effect that I think there will be a general evening-out of the flow, not radically different from what it is naturally, but significantly different. There will still be highs and there will still be lows but I think the extremes of behaviour in both instances will be cut down substantially. Part of the study and the report that we are working on at the present time will give some indication of the forecast changes that will occur.

One point that I did not mention and that may be significant from time to time would occur during periods of very high run-off in the part of the Peace River Basin, the Finlay, Parsnip, and so on above the Bennett Dam where in seasons of very high precipitation and high run-off there may be the need for spilling water from the reservoir. This particular incident may be of fairly short duration. It may be for a considerable length of time. Certainly a power entity cannot jeopardize its total installation by topping the dam, and they will certainly have to spill water to keep the level under control.

The question of what magnitude of spills, what c.f.s. output by spilling from the dam will occur, is a matter of conjecture but some estimates of up to 100,000 cubic feet per second have been proposed, not by the entity but by some of the calculations that we have been looking at. If a crest based on 100,000 cubic feet comes along at an unusual time of the year this may be a little difficult to live with, but I think our studies will probably give us further insight into this eventuality.

[*Interprétation*]

le Canada. M. Gilchrist a mis en relief ces avantages au niveau de l'activité économique au Canada

Nous constatons qu'il y a des problèmes particuliers dans deux ou trois secteurs du fleuve. M. Prince a souligné qu'une fois rempli, le Barrage Bennett devrait fournir—j'oublie quel est le terme technique—un débit d'eau plus égal, réparti sur une période de temps au lieu des hauts du printemps et des bas de l'automne.

La première question qui me vient à l'esprit est la suivante: ce niveau sera-t-il maintenu de façon à permettre l'utilisation du Mackenzie comme voie de navigation vers l'Arctique. Est-ce là ce que l'on anticipe dans les études qui ont été entreprises par le ministère de l'Énergie, des Mines et des Ressources?

M. Prince: Monsieur le président, la question de savoir comment maîtriser une force productrice d'énergie et comment l'élément de fonctionnement du transport peut s'intégrer à cela, est une question qui doit être étudiée plus avant. La déclaration que j'ai faite signifiait qu'il se produirait un équilibre général du débit qui ne sera pas radicalement différent de ce qu'il est mais substantiellement différent. Il y aura toujours des hauts et des bas, mais je crois qu'on réduira les extrêmes considérablement. Une partie de l'étude et du rapport que nous sommes en train de préparer actuellement, nous donnera une idée des changements qui se produiront vraisemblablement.

Un point que je n'ai pas mentionné et qui peut avoir une certaine importance à certains moments se présentera au moment des périodes de ruissellement dans le bassin de la rivière La Paix, dans le Finlay Parsnip au-dessus du barrage Bennett où pendant la saison de la pluie et du ruissellement abondant, il pourrait arriver que le réservoir déborde et il faudra certainement relâcher de l'eau pour maintenir le niveau d'eau. Cela ne dure pas nécessairement longtemps, mais il est possible que cela prenne considérablement de temps. Mais cela ne pourra certainement pas mettre en danger toute l'installation. Il faut relâcher de l'eau pour maintenir le niveau d'eau. C'est une simple conjecture, mais on estime jusqu'à 100,000 pieds cubes par seconde, d'après certains caculs que nous avons effectués. Si le sommet, basé sur 100,000 pieds cubes, se présente à un moment exceptionnel de l'année, il sera peut-être très difficile d'y remédier. Mais nos études nous permettront de mieux comprendre cette éventualité; 100,000 pieds cubes par seconde, c'est certainement nettement au-dessous du

[*Text*]

Certainly 100,000 cubic feet per second is well below the peak flows in spring run-off, but if they did occur at an unusual time of the year in anticipation of control of the reservoir this might present some difficulty. Conversely, I suppose if a period of extreme dryness occurred there might be storage of water to look after power commitments that would be somewhat antagonistic to the transportation interests.

However, I feel it is necessary to improve liaison between the two sets of interests, the power and the transportation, to try to coordinate the requirements of both as effectively as possible on a long-term continuing basis.

The Vice-Chairman: Mr. Armstrong, is there something you wish to add here?

Mr. Armstrong: Yes, thank you, Mr. Chairman. Maybe I could add a little bit more to Mr. Orange's question. This is to do with having a look over the long term at sets of various developments up-stream on the Mackenzie system.

• 1220

In this regard the Department of Indian Affairs and Northern Development has requested that a regional subcommittee be set up under the interdepartmental committee on water on a permanent basis to look into the long-term requirements for water in the north, to take into account such things as transportation on the Mackenzie River, fisheries, possibly, in the lakes connected with this system, the requirements for water in fur-bearing areas and this sort of thing—to examine the whole broad spectrum of requirements for water in the north. I think it is fairly well agreed that the specific problem which occurred this spring with the ferry was a temporary thing caused by the ice conditions.

What we are probably more concerned with is some of the long-term planning such as for hydro electric dams, which causes a temporary interruption over two or three years. We have to take these into account to try to alleviate these temporary effects until the thing is back under regulation. But what would probably be of more concern is diversions out of the system. I think that probably you people have heard of some planning in Alberta, for example, for diverting out of the system. This type of thing would have a permanent effect on the system and we feel we should, at this stage, be looking at the long-term requirements of the north as against possible diversions.

[*Interpretation*]

sommet du ruissellement du printemps, mais si cela se présentait à une période exceptionnelle de l'année, cela pourrait poser des problèmes. Inversement, s'il y avait une période d'une extrême sécheresse, il pourrait y avoir un réservoir d'eau pour la production de l'énergie. Quoi qu'il en soit, je pense qu'il est nécessaire d'améliorer la liaison entre l'énergie électrique et les transports et d'essayer de coordonner les besoins des deux aussi efficacement que possible à long terme.

Le vice-président: Est-ce que vous avez quelque chose à ajouter, monsieur Armstrong?

M. Armstrong: Merci, monsieur le président. Je pourrais peut-être répondre plus amplement à la question de M. Orange au sujet des effets à long terme de divers aménagements en amont dans le bassin du MacKenzie.

Le ministère des Affaires indiennes et du Nord canadien a demandé qu'un sous-comité régional soit établi, relevant du comité interministériel des eaux sur une base permanente en vue de déterminer les besoins à long terme en eau dans le Nord, tenant compte du transport sur le Mackenzie, des pêches des lacs reliés à ce réseau, du besoin en eau dans les régions d'animaux à fourrure et, en somme, pour examiner toute la gamme des besoins en eau du Nord. Tout le monde convient que le problème qui s'est présenté, ce printemps, au sujet du lac, était temporaire et dû à l'embâcle.

Ce qui nous préoccupe le plus ce sont par exemple les projets de barrages hydroélectriques à long terme. Il nous faut tenir compte de tous ces facteurs pour tenter d'atténuer les effets jusqu'à ce qu'ils soient réglementés. Mais ce qui nous préoccupe le plus ce sont les dérivations des eaux. On a parlé de projets en Alberta, par exemple pour détourner les eaux du réseau. Cela aurait des effets permanents sur le réseau et nous croyons que dès maintenant nous devrions considérer les besoins à long terme du Nord, par opposition aux dérivations possibles.

[*Texte*]

Another example, of course, is the examination which is going on of the possibility of developing power on the upper Yukon by diversion. We would want to be in a position to know exactly what the downstream consequences of such diversion would be and the benefits of power in this case versus the problems that would arise downstream. But we hope to be able to have this permanent committee in operation in the very near future and to begin work on looking at and studying these things before the fact, rather than after.

Mr. Orange: Would this be a federal government committee, or would it include representatives from the provinces of British Columbia and Alberta?

Mr. Armstrong: The committee itself would be primarily a federal committee representing various federal departments—Fisheries, Transport, Public Works, Indian Affairs, Energy, Mines and Resources and so on—but we would hope that on this committee there would be working groups to study specific problems who would be representatives from the provinces, certainly from the Territories, and experts where they were needed.

Dr. Prince: Mr. Chairman, I wonder if I might add to what Mr. Armstrong has said? He mentioned the Interdepartmental Committee on Water. This is primarily—well, I think it is entirely a federal committee at the moment and is the predecessor to the Canada water advisory board, which will be set up under the Canada Water Conservation Assistance Act. It is in operation now with regional committees for the Pacific region, the Prairies region and the Atlantic region. The question of a northern regional committee being set up I think is a very good one and I hope that this will go forward very soon because there are many problems; not only the ones that we are dealing with here but also those Mr. Armstrong has mentioned. One further point that has come up recently having to do with the Mackenzie system itself is potential development on the Liard River for, presumably, power development and this might affect in a somewhat smaller way the conditions such as the Peace River has, I believe there is some plan for development; at least the planning process is going ahead for the development.

Mr. Armstrong: Perhaps I could add a word or two on the Liard development. We have just received a letter from a Mr. Raudsepp in B.C. who is the Deputy Minister for water resources services in British Columbia. The Department of Indian Affairs

[*Interprétation*]

On examine, par exemple, la possibilité de produire de l'énergie dans le cours supérieur du Yukon par dérivation. Nous voulons savoir exactement quelles en seront les conséquences en aval et quels seront les avantages pour ce qui est de la production d'électricité, par opposition aux problèmes qui se poseront en aval. Nous espérons que ce comité permanent sera établi très prochainement et qu'il pourra étudier ces problèmes avant que le fait se produise, plutôt qu'après.

M. Orange: Est-ce que ce sera un Comité du gouvernement fédéral ou comprendra-t-il des représentants de la Colombie-Britannique et de l'Alberta?

M. Armstrong: Le comité sera surtout un comité fédéral représentant certains ministères fédéraux, les Pêches les Transports, les Affaires indiennes, les Travaux publics, les Mines et les Ressources naturelles. Mais, nous espérons que, dans ce comité, il y aura des groupes et des experts qui étudieront les problèmes particuliers et qui représentent les provinces, notamment les Territoires.

M. Prince: Monsieur le président, puis-je ajouter quelque chose? M. Armstrong a parlé du comité interministériel de l'eau. Je crois que c'est un comité entièrement fédéral pour le moment et que c'est le prédécesseur du Conseil consultatif des eaux qui sera établi aux termes de la Loi canadienne sur l'aide à la conservation des eaux. Je crois qu'il existe pour le moment des comités régionaux, dans la région du Pacifique, des Prairies, et de l'Atlantique. Ce serait une bonne chose que d'établir un comité regional dans le Nord; j'espère que ça se fera bientôt parce qu'il existe bien des problèmes non seulement ceux dont nous parlons, mais aussi ceux dont a parlés M. Armstrong. Un autre problème est survenu récemment, concernant le réseau du Mackenzie, c'est le développement sur la rivière Liard des sources d'énergie hydraulique, ce qui peut nuire à la situation qui est semblable à celle de la rivière La Paix. Je pense qu'il y a un projet d'expansion; le processus de planification se poursuit.

M. Armstrong: J'aimerais ajouter quelques mots sur le développement sur la rivière Liard. Nous venons de recevoir une lettre de M. Raudsepp de la Colombie-Britannique, qui est le sous-ministre des services des Ressources hydrauliques de la Colombie-Britannique.

[*Text*]

and Northern Development is conducting a study of the power potential on the Liard north of parallel 60 and the British Columbia

• 1225

government has also been looking at the Liard River in British Columbia for a number of years for the same purpose. This letter is in response to a letter from our Deputy Minister and we have agreed to co-ordinate on these two studies so that we will each be informed of what the other is doing and possibly co-ordinate the planning for possible development of power on the Liard.

Mr. Orange: I gather from what you say that it becomes a matter of co-ordination and that if the provincial authorities in British Columbia wish to go ahead and develop the Liard south of the 60th parallel on their own, there is just no way that the Territorial authorities can have anything to say about this. Would that be a fair assumption?

Mr. Armstrong: I think that in the past there have probably been some problems in interprovincial relations as far as water development is concerned. This was certainly the case on the Prairies, for example, but I think that more recently the realization has occurred that you cannot develop on one side of a political boundary with absolutely no consideration for the consequences downstream. A good example of this thinking is on the Prairies right now, where just recently there have been some major steps taken towards agreements on the allocation of water from the Saskatchewan system. I think that the attitude between our Department and the B.C. government and the agreement to study this thing with consultation—for instance, B.C. believe that power development on their section of the Liard would be much more effective if, first of all, a reservoir could be backed up across the political boundary. Possibly it would be more effective yet with upstream storage in the Yukon.

I think we have taken the initial step to co-ordinate these studies and that it would be on a co-operative basis. We have arranged to have a continuing review of our planning as we go along.

Mr. Orange: But there is no legal basis?

Mr. Armstrong: At this point not to my knowledge. Perhaps Dr. Prince could enlarge on that a bit.

Dr. Prince: I am afraid I cannot enlarge on it very much since I am not really qualified

[*Interpretation*]

Le ministère des Affaires indiennes et du Nord canadien effectue présentement une étude au sujet des ressources en énergie électrique sur la rivière Liard au nord du 60e parallèle et le gouvernement de la Colombie-Britannique effectue depuis un certain nombre d'années le même genre d'étude. La réponse que nous venons de recevoir est la réponse d'une lettre envoyée par notre sous-ministre. Et, nous sommes maintenant d'accord pour coordonner ces deux études afin d'être renseignés sur ce que l'autre fait et pour coordonner la planification du développement possible de l'énergie électrique sur la rivière Liard.

M. Orange: Il semble donc que ce soit un problème de coordination. Si les autorités de la Colombie-Britannique veulent développer la rivière Liard au sud du soixantième parallèle, les autorités des Territoires ne peuvent rien dire.

M. Armstrong: Je crois que dans le passé il y a eu certains problèmes quant aux relations interprovinciales en ce qui a trait au développement des ressources hydrauliques. Ce fut les cas des Prairies. Mais dernièrement, on s'est rendu compte qu'on ne peut développer d'un côté seulement d'une frontière politique, sans tenir compte des conséquences en aval. C'est justement la situation des Prairies où l'on en vient à un accord quant à la répartition des eaux appartenant au réseau de la Saskatchewan. Je crois que l'attitude entre notre ministère et le gouvernement de la Colombie-Britannique et l'accord pour étudier ce problème est un pas en avant. La Colombie-Britannique croit que le développement de l'énergie sur leur partie de la rivière Liard serait beaucoup plus efficace si on pouvait établir un réservoir qui traverse la frontière politique. Ce serait encore plus efficace si l'on pouvait avoir un réservoir en amont dans le Yukon.

Nous avons donc fait les premiers pas pour coordonner ces études sur une base de coopération. Et à mesure que nous procédons, nous revisons notre projet.

M. Orange: Mais il n'y a pas de base légale?

M. Armstrong: Pas à ma connaissance. M. Prince peut peut-être préciser davantage.

M. Prince: Malheureusement, je ne le puis pas, parce que je n'ai pas la compétence juri-

[*Texte*]

in the legal sense. I believe that in connection with the Peace River development there was some study made, certainly by the legal authorities in British Columbia, which came up with the result that they felt there was no need to go to the federal government for licensing for releases on the Bennett Dam and reservoir. This is a matter, I suppose, of constitutional importance in the long run. Possibly someone from the Department of Transport might be able to add further information to this as to whether, under the Navigable Waters Protection Act, a federal input to the matter of releases might have been invoked. I am not qualified to comment on the legislation on transport in this connection, but perhaps someone else here, Mr. Chairman, may wish to.

The Vice-Chairman: Is there another witness who could answer this question?

Mr. Ken Harris (Project Manager, Engineering Programs, Department of Public Works): Mr. Chairman, I might say that in 1959 the federal Department of Public Works, which was then administering the Navigable Waters Protection Act, wrote to the provincial government—pardon me, it was not the B.C. Power Authority at that time; it was the Peace River Power Development Corporation—and advised them that we were expecting an application under the Navigable

• 1230

Waters Protection Act. Again in 1962 our Deputy Minister wrote to the B.C. Power Authority, who then owned the project, and requested an application. The reply that came back from the provincial government was that their legal counsel advised them that inasmuch as the Peace River was not a navigable water at that location, they did not consider that an application was necessary.

After this time, as construction had already actually commenced, the Department of Public Works then exchanged correspondence to obtain figures on water supply that they would be allowing through the turbines during the course of filling, the province provided the water license agreement that they had from the province and, with the exceptions named previously, I have kept the supply of water coming through. That is the situation. At this time of course the Navigable Waters Protection Act is under the administration of the Department of Transport.

Mr. Orange: May I refer back to your letters of 1959 and 1962 when the provincial government said that they did not believe that this Navigable Waters Protection Act applied to that portion of the river affected?

[*Interprétation*]

dique voulue. Je crois qu'au sujet du développement de la rivière La Paix il y a eu des études effectuées par les autorités juridiques de la Colombie-Britannique qui ont révélé qu'on n'a pas besoin de faire appel au gouvernement fédéral pour avoir l'autorisation voulue pour le barrage et le réservoir de M. Bennett. Peut-être que quelqu'un du ministère des Transports pourrait préciser davantage, par exemple, pour dire si, aux termes de la Loi sur la protection des eaux navigables, on a fait appel à la coopération fédérale pour la question de l'autorisation. Je n'ai pas la compétence voulue pour commenter la Loi sur les transports, à ce sujet. Peut-être que quelqu'un d'autre pourrait le faire.

Le vice-président: Un autre témoin pourrait-il répondre à cette question?

M. K. Harris (gérant des programmes d'ingénierie, ministère des Travaux publics): En 1959, le ministère fédéral des Travaux publics qui administrait la Loi sur la protection des eaux navigables, a écrit à la Société du développement des sources d'énergie de la rivière La Paix, en disant que nous nous attendions à une demande, aux termes de la Loi sur la protection des eaux navigables. Et de nouveau, en 1962, notre sous-ministre a écrit à l'autorité de l'énergie électrique de la Colombie-Britannique qui a répondu que le conseiller juridique avait dit que, puisque la rivière La Paix n'était pas navigable à cet endroit il n'était pas nécessaire de faire une demande d'autorisation.

Et, puisqu'on avait déjà commencé la construction le ministère des Travaux publics a eu un échange de lettres pour obtenir les chiffres représentant les quantités d'eau qui passeraient par les turbines durant le remplissage, la province émettait le permis nécessaire et sauf pour les exceptions mentionnées, plus tôt, j'ai maintenu le débit d'eau. Telle est la situation. A l'heure actuelle la loi sur la protection des eaux navigables est administrée par le ministère des Transports.

M. Orange: Je me réfère à vos lettres de 1959 et 1962 alors que le gouvernement provincial avait dit qu'il ne croyait pas que la loi sur la protection des eaux navigables ne s'appliquait pas à cette partie de la rivière.

[*Text*]

Mr. Harris: Yes, at that location the Peace River was not navigable and on this basis they did not make application under the Navigable Waters Protection Act.

Mr. Orange: And we as a federal authority accepted their legal opinion?

Mr. Harris: The issue, from a legal point of view, is still in some doubt. Let us put it that way.

Mr. Orange: Can I ask you if the federal authority obtained a legal opinion from the federal law officers of the Crown to determine whether or not the British Columbia position was a correct one?

Mr. Harris: We obtained an opinion from our legal authorities. Their question was not with respect to whether or not the Peace River was navigable but whether the Crown, federal, had the right to demand of the Crown, provincial, that it adhere to the Navigable Waters Protection Act.

Mr. Orange: I do not know to whom to address this question, Mr. Chairman. We have talked about navigable waters with regard to the Bennett Dam. There are two or three other areas where the federal authority can become involved, one is fisheries and another is interprovincial waters. Could someone define for me just what interprovincial waters may be—in other words, where the federal authority has private jurisdiction.

The Vice-Chairman: Could one of the witnesses answer the question.

Mr. Harris: I could not answer the question.

Dr. Prince: I do not think I can answer it. However, I can say that the question of interprovincial waters is one where a lack of clarity and presumably a divided jurisdiction exists. This is a matter of constitutional importance on which I do not think any definitive ruling has yet been made. But where two provinces do request federal government assistance in an interprovincial water matter, such assistance is normally given. This issue, constitutionally, I do not think has been adequately faced yet. We in our department, as you know, Mr. Orange, tend to look upon this as a more or less open question, with an involvement of the federal power implied but not clearly defined.

[*Interpretation*]

M. Harris: Oui, à cet endroit-là la rivière La Paix n'était pas navigable, et par conséquent en vertu de la Loi sur la protection des eaux navigables, ils n'en ont pas fait la demande.

M. Orange: Et l'autorité fédérale a accepté leur opinion juridique?

M. Harris: Disons que cette opinion judirique est encore mise en doute.

M. Orange: Puis-je vous demander si les autorités fédérales ont obtenu l'opinion des conseillers juridiques du gouvernement fédéral à cet égard pour savoir si la position de la Colombie-Britannique était juste?

M. Harris: Nous avons obtenu un avis de nos conseillers juridiques selon lesquels il ne s'agissait pas de savoir si la rivière La Paix était navigable mais si le gouvernement fédéral avait le droit d'insister que le gouvernement provincial respecte la Loi sur la protection des eaux navigables.

M. Orange: Monsieur le président, je voudrais savoir à qui je dois adresser cette question. Nous avons parlé des eaux navigables en rapport au barrage Bennett. Il existe deux ou trois autres secteurs où le gouvernement fédéral peut avoir son mot à dire dans cette affaire; ce sont les pêcheries et les eaux interprovinciales. Quelqu'un pourrait-il me définir ce que sont les eaux interprovinciales autrement dit où le gouvernement fédéral détient l'entière compétence?

Le vice-président: Y a-t-il quelqu'un parmi les témoins qui puisse répondre à cette question?

M. Harris: Je ne pourrais y répondre.

M. Prince: Je ne sais pas si je puis vous répondre mais je puis vous dire que la question des eaux interprovinciales est un sujet qui n'est pas très clair et où il existe des divergences de vue quant à la juridiction. C'est une question d'importance constitutionnelle qui à mon avis n'a pas été définitivement réglée. Mais l'assistance fédérale est normalement accordée lorsque deus provinces en font la demande. Du point de vue constitutionnel, je ne crois pas que cette question ait été suffisamment envisagée. Comme vous le savez, monsieur Orange, nous autres au Ministère avons tendance à considérer la situation comme étant plus ou moins indéfinie, impliquant la compétence du pouvoir fédéral sans être clairement définie.

[*Texte*]

Mr. Orange: What I am trying to get at, Mr. Chairman, with the Alberta people talking about diversions north, is the possibility of the Liard being developed in co-operation. Are we not in the position of depending on co-operation rather than contract? I think we are wandering a little bit from the major issue here, but I am just a little bit concerned about finding ourselves in the position of a committee, a government, or a group being faced in one, two, three or four years from now with the same problem, hitting our head against the same kind of wall, listening to statistics provided by such people as Dr. Prince who pointed out, for example, that at Providence 22 per cent of the water comes from the Bennett Dam or from the Peace River. I have really no solutions to offer; I am just really making conservation.

The Vice-Chairman: Mr. Orange, you are really dealing with a question of both legality and policy at the moment and I think the witnesses who were with us have gone as far as they can to bring answers to you on that aspect of it.

Mr. Orange: I realize that.

Mr. Simpson: Could I ask a supplementary on that. Can any of the witnesses say whether there is an accepted and clearly defined definition of "navigable waters" as far as our Canadian rivers are concerned.

Mr. Harris: I am afraid I could not.

Mr. MacFarlane: If Mr. Harris cannot I certainly cannot.

Mr. Simpson: Mr. Chairman, we continually hear the phrase "navigable waters". We are told that interprovincial waters and navigable waters have certain priority and provinces are bound to respect the adjoining provinces rights as far as navigable waters are concerned, but if we have no clear understanding or acceptable definition of navigable waters at this stage of our development in Canada I think we should make a point of getting this cleared up so that everybody in Canada understands what navigable waters are.

The Vice-Chairman: Possibly, Mr. Simpson, it would be a thought to bring this before the steering committee in future with a suggestion that we pursue this aspect further with other witnesses.

Mr. Simpson: That is fine, I just thought that there may be someone available to answer that question.

[*Interprétation*]

M. Orange: Ce que je veux dire, monsieur le président, lorsque j'entends les gens de l'Alberta parler de dérivation au Nord, c'est qu'il y a une possibilité de mettre en valeur, conjointement la rivière Liard. Ne sommes-nous pas en mesure de compter sur la coopération plutôt que sur un contrat?

Je crois que nous nous écartons quelque peu de l'essentiel de la question ici, mais je crois que nous nous trouvions, en tant que Comité, gouvernement ou groupe, dans quelques années d'ici, aux prises avec le même problème, écoutant les chiffres statistiques fournis par des personnes comme M. Prince qui a indiqué par exemple qu'à Providence, 22 p. 100 des eaux proviennent du Barrage Bennett ou de la rivière La Paix. Je n'ai vraiment aucune solutin à offrir; je parle, tout simplement.

Le vice-président: Monsieur Orange, vous traitez d'une question de l'égalité et de politique en ce moment, et je crois que les témoins sont allés aussi loin qu'ils le peuvent pour répondre à vos questions.

M. Orange: Je le comprends.

M. Simpson: Une question supplémentaire. Y a-t-il quelqu'un pami les témoins qui puisse me dire s'il existe un terme acceté et clairement défini pour indiquer les eaux navigables des rivières et fleuves du Canada?

M. Harris: Malheureusement je ne saurais dire.

M. MacFarlane: Si M. Harris ne le sait pas, je ne le saurais certainement pas.

M. Simpson: Monsieur le président, il me semble que nous entendons sans cesse le terme «eaux navigables». On nous dit que les eaux interprovinciales et les eaux navigables ont un certain ordre prioritaire et que les provinces sont tenues de respecter les droits des provinces avoisinantes concernant les ressources hydrographiques mais si à l'heure actuelle nous n'avons pas de définition claire que nous pouvons comprendre, je crois qu'il faudrait éclaircir toute cette question pour que tout Canadien puisse comprendre ce que c'est que les eaux navigables.

Le vice-président: Monsieur Simpson, c'est peut-être utile de soumettre à l'avenir cette question au comité de direction en proposant de poursuivre l'étude de cette question avec d'autres témoins.

M. Simpson: C'est très bien, je pense qu'il y aurait quelqu'un qui répondrait à cette question.

[*Text*]

Mr. Armstrong: Mr. Chairman, could I suggest that "navigable waters" covers any stream where there is a demand for transportation by water. Depths are quite important. However, a good example is Bear River connecting the Mackenzie to Bear Lake, where we have had to navigate on 18 inches. Now normally you would not consider this navigable waters. But the demand is there and as long as you can put equipment on that river to navigate, it is navigable water.

Mr. Simpson: That has always more or less been my understanding of it. The Saskatchewan River, which runs through three or four provinces, is considered navigable water—at least I am told it is. There is navigation on it, there is also power dams on it, and what I was concerned about was the fact that British Columbia at one stage figured that the actual point where the Peace River development took place at Bennett Dam was not navigable and therefore it was not a navigable river. That is what prompted my question.

Mr. Armstrong: Mr. Chairman, I believe that in some areas they even take the terms "navigable waters" to mean waters that are capable of supporting log drives. In other words, if there is a transportation requirement over water and waters are capable of doing this, then I think it is defined as a navigable water.

The Vice-Chairman: Does it stop short of pleasure canoes?

Mr. Armstrong: That I could not say.

Mr. MacFarlane: Actually, Mr. Chairman, there was a case—I am not sure how long ago, perhaps 10 years ago—where somebody put a fence across a stream and a chap wanted to use it for a canoe. This case went to court and they had to take down the fence because this was classified as a navigable water. Perhaps that answers your canoe question.

The Vice-Chairman: Thank you. Have you more questions, Mr. Orange?

Mr. Orange: No, I will pass to Mr. Simpson for the time being.

Mr. Simpson: Mr. Chairman, in the absence of Mr. Gilchrist would it be in order to ask one or two more questions in relation to Northern Transportation.

[*Interpretation*]

M. Armstrong: Monsieur le président, je dirais que le terme «eaux navigables» veut dire tout cours d'eau où il existe une demande de transport par eau. La profondeur du cours d'eau est très importante. Cependant un exemple frappant c'est la rivière de l'Ours qui relie le fleuve Mackenzie au lac de l'Ours, où nous avons dû naviguer sur dix-huit pouces d'eau. Normalement vous ne pouvez considérer cela comme eaux navigables. Mais la demande y est et aussi longtemps que l'on puisse y transporter du matériel, ce sont des eaux navigables.

M. Simpson: Cela a toujours été ma façon de concevoir la signification du terme. La rivière Saskatchewan qui traverse trois ou quatre provinces de l'Ouest est considérée comme étant navigable, du moins c'est ce qu'on me dit. On y pratique la navigation, on y voit des barrages d'énergie hydraulique, et ce qui m'a étonné c'était le fait qu'à un moment donné, la Colombie-Britannique a décidé que l'emplacement où ont eu lieu les travaux de la rivière La Paix n'était pas navigable et, par conséquent, ils ont décidé que toute la rivière n'était pas navigable. C'est pour cela que j'ai posé la question.

M. Armstrong: Monsieur le président, je crois que dans certaines régions, le mot eaux navigables veut dire des eaux qui peuvent supporter les billots. Autrement dit, si l'on a besoin de transport par la voie des eaux et que ces eaux peuvent servir, elles sont considérées comme étant navigables.

Le vice-président: Les eaux servent à tout sauf à la navigation sportive?

M. Armstrong: Je ne saurais dire.

M. MacFarlane: Je me souviens d'un cas, il y a environ 10 ans où quelqu'un avait dressé une barrière à travers d'un cours d'eau, la question a été portée devant le tribunal et il a dû l'enlever parce que cette rivière avait été classée comme eaux navigables.

Cela répond peut-être à votre question à propos du canoë.

Le vice-président: Merci. Y a-t-il d'autres questions? Monsieur Orange.

M. Orange: Non, je passe la parole à M. Simpson pour le moment.

M. Simpson: Monsieur le président, en l'absence de M. Gilchrist, serait-il possible de poser une ou deux questions supplémentaires en rapport à la *Northern Transportation*?

[*Texte*]

The Vice-Chairman: I believe Mr. Hall can answer your questions, Mr. Simpson.

Mr. Simpson: Mr. Orange mentioned the desirability of keeping the Mackenzie River

• 1240

in mind as a prime freighting artery to the Arctic. Now it is my understanding that Northern Transportation, up to this time, have generally freighted to the Western Arctic. Is this correct?

Mr. Hall: That is correct.

Mr. Simpson: Actually, how far do they range? Do they go east of Coppermine?

Mr. Hall: We operate from as far west as Point Barrow, Alaska through to Boothia Peninsula. Now Boothia Peninsula to Demarcatian Point is classed as the Western Canada Arctic which we service. I think east of Boothia is the Eastern Arctic serviced by the Department of Transport.

Mr. Simpson: What I was leading up to was, has there ever been any consideration given to whether or not it would be economical for Northern Transportation to expand further into the Eastern Arctic?

Mr. Hall: It would not be practical through the Mackenzie water shed. The Eastern Arctic is blocked by the Boothia peninsula area so that it would not be practical to try to come down the Mackenzie and go up through the islands across the Eastern Arctic. The natural route is from the east side.

Mr. Simpson: As a Crown corporation, is it one of the Terms of Reference of Northern Transporation that they liaise with any government department having large freight shipments to make from a point in Canada to the Eastern or Western Arctic. Does Northern Transportation have requests from other departments saying "We have so much freight to move: how do you suggest we move it?"?

Mr. Hall: We operate as a common carrier and must accept any freight offer from other government departments or from individual shippers. We cannot give preference to other government departments. I do not know if that answers your question.

Mr. Simpson: I will tell you what I am trying to get at and I am not absolutely sure on this. I understand there could be a large

[*Interprétation*]

Le vice-président: Je crois que M. Hall peut répondre à vos questions.

M. Simpson: Très brièvement donc, M. Orange parlait de l'opportunité de considérer le Mackenzie comme grande artère de transport vers l'Arctique. La *Northern Transportation*, si je comprends bien, jusqu'ici transporte des marchandises dans l'Ouest de l'Arctique, n'est-ce pas?

M. Hall: C'est exact.

M. Simpson: En fait, jusqu'où vont-ils? Jusqu'à Coppermine?

M. Hall: Nous assurons le transport depuis Point Barrow en Alaska jusqu'à la péninsule de Boothia. La région qui s'étend de la péninsule Boothia jusqu'à Demarcation Point est considérée comme faisant partie de l'Arctique canadien de l'ouest, et que nous desservons. A l'est la presqu'île de Boothia, les ports sont desservis par le ministère des Transports.

M. Simpson: Est-ce qu'on a songé ou est-ce qu'on jugerait rentable que la Northern Transportation élargisse ses opérations jusque dans l'est de l'Articque?

M. Hall: Ce ne serait pas pratique par le Mackenzie. L'est de l'Articque nous est fermé à cause de la péninsule de Boothia. Il ne serait pas pratique de tenter de descendre le Mackenzie et de se rendre jusqu'aux îles de l'Articque, pour traverser vers l'est. La ronde naturelle passe par l'Est.

M. Simpson: Une autre question seulement: est-ce que comme société de la Couronne, le mandat de la «*Northern Transportation*» oblige la compagnie à conserver la liaison avec d'autres ministères qui doivent faire des expéditions vers l'est ou l'ouest de l'Artique? Est-ce que la «*Northern Transportation*» reçoit des demandes d'autres ministères qui voudraient faire transporter des marchandises? Comment pensez-vous qu'on doive s'y prendre?

M. Hall: Nous sommes une compagnie de transport publique et nous devons accepter tout envoi de marchandises, qu'il provienne des ministères de l'État ou d'un particulier. Nous ne pouvons pas accorder la préférence à d'autres ministères du gouvernement. Je ne sais pas si cela répond à votre question.

M. Simpson: Oui, c'est ce que je veux savoir. Mais, si je comprends bien, je ne suis pas tout à fait sûr, qu'il puisse y avoir une

[*Text*]

freight shipment coming out of Edmonton some time for Frobisher. Would in this case Northern Transportation be asked by the department concerned how this should be shipped.

Mr. Hall: No, we do not operate as agents for any other shipping company. We would suggest they contact the Department of Transport.

Mr. Simpson: Thank you.

The Vice-Chairman: Are there any more questions, gentlemen?

Mr. Orange: Yes, I have a few more. Just to leave the question of the Mackenzie system itself for a moment, and this may be an impossible question for Mr. Naysmith to answer—and I am not being critical when I say this—of the volumes of freight that move down the Mackenzie and the volumes of freight that move, say, into Yellowknife and north to the Central Arctic coast, where much of the resupply now unfortunately cannot always come by aircraft, as you know, do you have any idea of what the percentage is one way or the other, as between the resupply of the Yellowknife region plus the Central Arctic coast as opposed to that down the Mackenzie River system?

Mr. Naysmith: I am afraid, Mr. Orange, your original analysis was a good one: it is almost an impossible question to answer.

Mr. Orange: Do you have anything from the road traffic on the number of trucks that pass over during the winter and the summer, and the freight out of Hay River during the freeze-up and break-up?

Mr. Naysmith: Are you asking me for a per cent distribution of the loads by ground and by water?

Mr. Orange: No, a per cent distribution into the Yellowknife area and the Central Arctic coast as opposed to the use of the river.

Mr. Naysmith: No, I am afraid I cannot answer that question.

Mr. Orange: One of the areas that concerns me particularly is the fact that Yellowknife and the Central Arctic coast are cut off from

• 1245

communication by road with the outside for about three months of the year from mid-November, of a few days or a week earlier depending on the season, until Christmas. Each year at Christmas the debate in Yellowknife is whether or not the ice bridge will be

[*Interpretation*]

expédition importante d'Edmonton à destination de Frobisher. Est-ce que la Northern Transportation dans ce cas-ci, serait invitée par le ministère intéressé à indiquer comment ce transport doit se faire?

M. Hall: Non, nous ne sommes pas l'agence d'autres compagnies de navigation. Mais, nous leur proposerions de s'adresser au ministère des Transports.

M. Simpson: Merci.

Le vice-président: Est-ce qu'il y a d'autres questions, messieurs?

M. Orange: Oui. J'en ai quelques-unes. Laissons de côté le système fluvial du Mackenzie, pour le moment. M. Naysmith ne pourra pas peut-être répondre, ce n'est pas une critique que je fais. Le volume de marchandises le long du Mackenzie, le volume de marchandises jusqu'à Yellowknife et jusqu'au centre du littoral de l'Arctique, dont une grande partie est transportée par avion, je voudrais savoir quel est le pourcentage d'approvisionnements de la région de Yellowknife et du centre du littoral de l'Arctique par opposition au transport qui se fait par le Mackenzie?

M. Naysmith: Je crois que vous avez raison de dire que c'est à peu près impossible à répondre à cette question.

M. Orange: Avez-vous une idée du transport par route, par camions durant la période d'embâcle et de débâcle?

M. Naysmith: Vous voulez dire la répartition du volume par terre et par eau?

M. Orange: Non. La répartition entre Yellowknife et le littoral de l'Arctique.

M. Naysmith: Non, je ne crois pas pouvoir répondre.

M. Orange: Une des régions qui m'intéresse en particulier, ou un des domaines qui me préoccupe en particulier, c'est que Yellow-

knife et le littoral central de l'Arctique sont coupés de l'extérieur pendant trois mois de l'année. Parfois, de la mi-novembre en moyenne, jusqu'à Noël, on se demande souvent, à Yellowknife, si le pont de glace sera formé. Et, la même chose se produit au prin-

[*Texte*]

formed by Christmas. Again, the same thing happens in the spring during break-up. I would even suggest that the conditions this year, when we had an ice-jam, may not be unusual because these ice-jams occur from time to time, as Dr. Prince, I think, indicated in his testimony.

What, if any, planning has been undertaken with regard to providing year-round ground transportation to in the area to which I am referring? Mr. MacFarlane referred to this with regard to barges.

Mr. Naysmith: What you are really asking me, Mr. Orange, is what consideration has been given to the construction of a bridge.

Mr. Orange: Or an ice-breaking barge.

Mr. Naysmith: Yes. I think that the economic development branch is looking into this question and attempting to draw up a comparison. I think it simply comes down to a cost question of how much it is costing to transport during this critical three-month period you are speaking of over and above what it would normally cost if we had, for example, a bridge across at Fort Providence. I think they are in the process of doing this. This is not economic planning, but it is an economic analysis which I believe is the first step, at any rate, and is taking place now.

It would seem to me that this is a very simple problem, at least to come up with the answer to the first step. Then the decision must be made as to whether the additional cost during the three-month period warrants the construction of year-round transportation. If so, then this decision will have to be made. In answer to your question, yes, there is an economic analysis being made now on this question.

Mr. Orange: Has there ever been an engineering study on the cost of alternate transportation such as a bridge or the ice-breaking ferry? Has anything ever been in this regard?

Mr. MacFarlane: I would like to go back, if you do not mind, on another point. I think I mentioned earlier that a study is currently being made. We have consultants working on a new type of ferry. There are three types under consideration and one is an ice-breaking type of ferry. The information I have to date is that this will extend, possibly by a couple of weeks at either end, the transportation across the Mackenzie.

The estimated cost—and again this is a rough estimate at this stage because the con-

[*Interprétation*]

temps durant la débâcle. Les conditions cette année lorsqu'il y a eu une embâcle ne sont pas peut-être exceptionnelles parce que ces embâcles se présentent à l'occasion.

M. MacFarlane l'a dit du reste dans son exposé, je me demande si on dresse des plans pour assurer un transport par route l'année durant dans la région dont je parle?

M. Naysmith: Ce que vous voulez savoir, monsieur Orange, c'est dans quelle mesure on a fait une étude pour savoir si l'on doit construire un pont

M. Orange: Ou mettre en service un traversier brise-glace?

M. Naysmith: Je crois que la division du développement économique étudie cette question en ce moment et tend à dresser une comparaison, c'est en somme une question de coût. Combien coûte le transport durant cette période critique de trois mois dont vous parlez, en plus du coût habituel? Si nous avions, par exemple, un pont (et je crois que cette étude est en cours) il s'agit là d'une analyse économique qui, je crois, est un premier pas. Et cette étude est en cours en ce moment. Le prix d'un traversier serait de $426,000. Il me semble que c'est un problème relativement simple, du moins pour cette première étape et une décision doit être prise. En ce qui concerne le pont, il aurait une portée de 3,800 pieds. Il faut déterminer s'il est possible de fournir des moyens de transport pendant toute l'année en réponse à votre question: oui, une étude économique est en cours en ce moment.

M. Orange: Je me demande, monsieur le président, si jamais on a fait une étude des coûts, de d'autres solutions de transport dans cette région? A-t-on fait quelque chose à cet égard?

M. MacFarlane: Pour revenir à un autre point, à l'heure actuelle, nous effectuons des études; il y a des experts, des conseillers qui y travaillent. Il y a trois genres d'études: un bac, genre brise-glace, un pont, etc. D'après les renseignements que j'ai à l'heure actuelle, les études seront terminées dans trois semaines, le coût estimatif (et c'est assez approximatif) parce que les experts n'ont pas encore fini leurs études, coûtera à peu près $426,000. J'ai établi un rapport avec ce qu'a dit M.

[*Text*]

sultants have not finished their study—of the ice-breaking type of ferry is $426,000. I am trying this in to Mr. Naysmith's point that in any economic study you would have to decide whether you build this ferry or not, because obviously you do not need it and a bridge.

Coming back to the bridge point, the Department did a study in 1957-58. The Structural Engineering Services Ltd. of Edmonton conducted this study, and the span would be 3,800 feet, as I indicated earlier, between the two causeways. I forgot to mention earlier that I have a few pretty dog-eared pictures here of what the ferry and the causeway look like which may be helpful to some people. You can also see what it looks like when Great Slave breaks up, which is another problem. This is a problem that has not been mentioned: Certainly, the ferry gets going but an ice-jam happened this year, and when Great Slave breaks up, ice piles up and there is a period of time when the ferry can not operate.

• 1250

The Vice-Chairman: May I interrupt you for a moment? One thing has puzzled me throughout: why is it so difficult to dynamite these ice jams to clear them?...

Mr. MacFarlane: I think they tried that successfully at Hay River at the time we had that nasty flood. I have flown over this Great Slave area and where this ice jam was, and I think it is like shovelling fog. I do not think we could conceivably beat this problem. You might break it only to have it pile right back up again.

The Vice-Chairman: Thank you.

Mr MacFarlane: I think partially too, your ice jam was caused by east winds. It is like a log jam, you break it and it would jam again. I do not think it would be too successful, although I am not expert enough to talk on this subject.

I think it temporarily relieves the situation and then it goes right back again.

The Vice-Chairman: I see, thank you.

Mr. MacFarlane: It is a good question; I asked the same question incidentally at Yellowknife a week ago. About the bridge Mr. Orange, this study was conducted as I said in 1957-58. The cost at that time was around $6.2 million for a bridge across the Mackenzie. We have updated these figures, and again I had it done over the weekend so would you bear with me that they are estimates. We now estimate between $12 and $13 million to build the same bridge. I do think that since this study was made there are two or three things.

[*Interpretation*]

Naysmith au sujet d'une étude économique. Il faut établir un certain équilibre ici.

Pour revenir maintenant à la question du pont, le ministère a effectué une étude en 1957-1958, et les services de génie d'Edmonton ont dit que la partie principale entre les deux chaussées aurait une portée de 3,800 pieds. (Soit dit en passant ici, j'ai certaines diapositives qui vous donneront une idée de ce que sera le pont.) Vous voyez ce qui arrive quand le lac des Esclaves est sujet à la débâcle. C'est ça qui est arrivé cette année: il y a eu embâcle de glace. Mais quand il y a eu la débâcle au grand lac des Esclaves, il s'est créé un embâcle en aval.

Le vice-président: Il y a quelque chose que je trouve difficile à comprendre ici: pourquoi est-ce si difficile de passer ces embâcles à la dynamite?

M. MacFarlane: On a tenté de le faire, je crois, ainsi qu'ils l'ont fait jadis à Hay River lorsque nous avons eu la grande inondation. Je crois que toute cette région du grand lac des Esclaves constitue un problème qu'il est difficile à résoudre. C'est un embâcle qui pourrait être brisé mais qui se reformerait immédiatement.

Le vice-président: Merci.

M. MacFarlane: Ce sont des accumulations de la glace causées par un vent de l'est qui, je crois créent l'embâcle. C'est comme une accumulation de billes; on les disperse, elles bloquent de nouveau. Je ne suis pas un expert, mais je ne crois pas que la dynamite soit un succès. Ce ne serait qu'un remède temporaire.

Le vice-président: Je vois. Merci.

M. MacFarlane: C'est une bonne question; je l'ai posée à Yellowknife la semaine dernière. Au sujet du pont, monsieur Orange, l'étude a été effectuée en 1957-1958. On avait estimé un coût de 6.2 millions pour un pont traversant le fleuve Mackenzie. Les chiffres ont été mis à jour maintenant, je les ai fait préparer en fin de semaine et tenant compte du fait que c'est un estimé, cela coûterait entre 12 et 13 millions de dollars pour construire ce pont. Depuis que l'étude a été faite, nous avons appris un peu plus sur le Mackenzie, nous

[*Texte*]

We have learned a bit more about the Mackenzie. We have learned a bit more about the causeways that we built out. At one point in time they said they would wash out, that it was going to be an unsuccessful operation. Possibly these could be extended a little more to shorten the span of the bridge. The consultants warn against this in a scouring action on the piers. I suggest if it is so desired that we should update this study which would not take too long, with all the information we have. In other words, bring it up to date now with current conditions, and of course since this study was made and since somebody talked about a bridge, Yellowknife is now the capital of the North; yet technically we are missing a link in the highway. This has been done; it is a good study, and I have every confidence, in fact, that possibly with very little money we could update it.

Mr. Orange: Does your study relates to one particular site only or did you choose a number of sites? I ask because I keep hearing that you could build certain spans across some of the islands, south of the present causeway. The Island of Providence right across from the Village of Providence, is apparently described as a rock island, whatever rock island means and you could have two spans and you could reduce the cost substantially. I do not know, I am just asking this question.

Mr. MacFarlane: The consultant did take into consideration leap frogging at Providence to a couple of islands in going across. As a matter of fact, they even mentioned going across Beaver Lake. The most logical place that they came to at that time was just about where our ferry crossing is now. As a matter of fact that is why we located the ferry crossing where it was and directed the roads to that location also. I do not think updating would give us any more information on this, but these points were taken into consideration. As a matter of fact the original study put the bridge about 1,000 feet from where we have the causeway and the success of the causeway has indicated to them that it is probably the right location for a bridge.

Mr. Orange: Who conducted the study? Was it a consultant?

Mr. MacFarlane: Yes, Structural Engineering Services of Edmonton. Ralph MacManus was the key principal of the company then; he was a professor at the University of Alberta.

Mr. Orange: I wonder then if I could ask Mr. Naysmith if in his economic analysis that is under way now he will be looking at a

[*Interprétation*]

avons appris beaucoup sur les chaussées. A un moment donné, on nous a dit que ces chaussées seraient emportées par les eaux. Il serait possible d'allonger les chaussées pour permettre de raccourcir le pont. Les experts-conseil vous ont dit qu'il y aurait un effet abrasif sur les piliers du pont. Si on le veut, il serait possible de mettre à jour cette étude; cela prendrait peu de temps, parce que nous avons assez de renseignements. Depuis que l'étude a été faite, la ville de Yellowknife est devenue la capitale du Nord; toutefois, il manque un raccordement routier. Une bonne étude a été faite, et je crois qu'il ne serait pas si dispendieux de la mettre à jour.

M. Orange: Est-ce que votre étude a trait seulement à un emplacement en particulier ou avez-vous choisi un certain nombre d'emplacements. On dit qu'il serait possible de construire des ponts entre certaines îles au sud de la chaussée. L'île Providence, en face du village de Providence, est apparemment un îlot rocheux, et il serait possible de réduire le coût en y construisant deux ports. Je ne le sais pas, je pose la question, voilà tout.

M. MacFarlane: Les ingénieurs-conseil ont pensé à construire des ponts d'une île à l'autre à Providence. On a même parlé de traverser le lac Beaver. L'endroit le plus propice qu'on a pu trouver est situé où le traversier navigue actuellement. C'est même pour cela que le traversier et les routes attenantes ont été placés là. Je ne pense qu'on obtiendrait plus de renseignements en mettant l'étude à jour, mais il faut tenir compte de tout cela. De fait, la première étude avait recommandé un pont à mille verges de l'emplacement actuel de la chaussée, et le succès de cette chaussée semble montrer que ce serait un emplacement logique pour un pont.

M. Orange: Qui sont des experts-conseil; qui a fait cette étude?

M. MacFarlane: Il s'agit d'une entreprise d'Edmonton, la *Structural Engineering Services*. M. Ralph MacManus était le directeur de la société à l'époque. C'était un professeur à l'Université de l'Alberta.

M. Orange: Je vais donc demander à M. Naysmith si, dans l'étude économique qu'il fait actuellement, il doit faire une nouvelle

[*Text*]

further engineering study or updating this present study with regard to the possibility of a bridge?

Mr. Naysmith: Yes, we will, Mr. Orange. This is a central factor in an economic analysis of this nature and it takes care of one half of it, as it were; the other half is to determine the extra cost involved using the system that we are now using. Then with this information it can easily be cast up which is the better of the two alternatives.

• 1255

Mr. Orange: We are looking at alternatives. Have we looked at Hovercraft or anything like this?

Mr. Naysmith: Perhaps Mr. Armstrong might say something about the Hovercraft demonstration or study that is going to take place in about a month's time.

Mr. Armstrong: There have been various trials of Hovercraft in the Arctic area or the northern part of the country from time to time with various machines in various conditions; in wintertime on Hudson Bay. There is a further trial coming up in July of a smaller machine, a cushion craft which we are involved with. This is aimed primarily at transportation on the tundra area where there are some grave problems with disturbing the delicate balance in the tundra and causing thermal erosion. The oil industry is also involved in this trial.

There is another machine going into the area, this is a larger machine an SRN 6 I believe, and it is going right down the Mackenzie River. It is going in under its own power and they hope to have some information on how it performs on the Mackenzie River during the next couple of weeks. The one problem with Hovercraft machines to date, particularly with large-scale transportation, is their cost. Some trials have indicated that the cost of transporting heavy goods by Hovercraft is in excess of that of a helicopter. This is changing rapidly all the time, and this is why there is a continuing series of trials going on. They are getting more and better machines.

At the present state of the art, it probably would not be economically practical but this could change rapidly as the machines develop. There are these new outfits they are using for passenger and car transportation over the English Channel. At the present real economic data on the operation of these things is not available.

[*Interpretation*]

étude d'ingénierie ou s'il doit mettre à jour l'étude déjà faite, compte tenu de la possibilité de construire un pont.

M. Naysmith: Oui, je crois que c'est un facteur de prime importance dans une analyse économique de ce type. C'est la moitié de l'étude, l'autre moitié consistant à déterminer quel serait le coût additionnel si on employait le système actuel. Avec ces renseignements, on pourra décider quelle est la meilleure voie à suivre.

M. Orange: On pense à d'autres solutions. A-t-on considéré l'aéroglisseur?

M. Naysmith: Peut-être que M. Armstrong pourrait vous parler des essais de l'aéroglisseur de la *Hovercraft*, qui doivent avoir lieu dans un mois.

M. Armstrong: Nous avons fait l'essai des aéroglisseurs de temps à autre dans l'Arctique et dans le Nord; on a essayé plusieurs types de véhicules dans diverses conditions. En hiver, on en a mis à l'essai sur la baie d'Hudson. Une deuxième série d'essais doit avoir lieu en juillet, essais d'un véhicule plus petit à coussin d'air. Ce véhicule servirait surtout au transport dans la toundra, où il ne faut absolument pas bouleverser l'équilibre de la nature et causer l'érosion thermique. L'industrie pétrolière s'intéresse aussi à ces petits aéroglisseurs.

On doit mettre à l'essai un autre type d'aéroglisseur, le SRN 6, je pense, qui est beaucoup plus gros. Ce véhicule doit descendre le fleuve MacKenzie. Le véhicule descendra le fleuve indépendamment. On espère obtenir des renseignements sur les résultats de l'expérience au cours des deux prochaines semaines. Le problème qui se pose actuellement en ce qui concerne les aéroglisseurs, surtout dans le domaine des transports d'envergure, c'est le coût. Certaines études ont révélé que le coût du transport par aéroglisseur était supérieur au coût du transport par hélicoptère. Ceci évolue rapidement et c'est pour cela que les essais se poursuivent. Les véhicules augmentent en nombre et leur qualité s'améliore.

L'état actuel des techniques ne permettrait probablement pas d'exploiter de manière rentable ces véhicules, mais cela va changer car les machines s améliorent. Il existe de nouveaux aéroglisseurs dont on se sert pour le transport des voyageurs et des voitures sur la Manche. Actuellement, il est impossible d'obtenir des renseignements sur la rentabilité de ces véhicules.

[*Texte*]

Dr. Prince: Mr. Chairman, I wonder if I could comment on the question of Hovercraft. We have done some trials during last winter on Lake Erie and we were interested in the use of that vehicle as a means of getting out on the ice or in the ice floes on Lake Erie. It is reasonably satisfactory if it is ice pans but when you get into ice ridges and shingles and so on, it has a limited capability of probably three to four feet of overcoming these ridges. In fact, we found that in order to conduct our program on Lake Erie last winter we had to have a helicopter overhead as a path finder.

The Vice-Chairman: It will not clear a pressure ridge of more than three or four feet?

Dr. Prince: This is about the limit, yes.

The Vice-Chairman: Does that complete your questions, Mr. Orange?

Mr. Orange: I have many. Coming back to Mr. MacFarlane...

The Vice-Chairman: I am just looking at the time, Mr. Orange. Perhaps we will have to adjourn and reassemble this afternoon. It is one o'clock.

An hon. Member: What time do you want to sit?

The Vice-Chairman: Would 3 o'clock be satisfactory to the Committee? It would have to be after the question period.

Mr. Orange: The witnesses are here and if I could continue without inconveniencing them greatly...

The Vice-Chairman: How long do you expect your questioning would require?

Mr. Orange: I do not know.

The Vice-Chairman: What about the other members of the Committee?

Mr. Simpson: I have no further questions.

Mr. Orange: Coming back to the root problem, where do we go from here? I think there are about three areas of concern; one is the Mackenzie River, one is the Yellowknife Central Arctic coast area and with all the ramifications of this. Mr. Armstrong mentioned a regional water group that would be studying some of the implications and

• 1300

ramifications of the effective water levels and water transportation. I would just like to hear from Mr. Naysmith, who is the Indian Affairs and Northern Development representative, whether a study is under way now to meet what I consider to be this rather pressing

[*Interprétation*]

M. Prince: Monsieur le président puis-je ajouter quelque chose au sujet des aéroglisseurs? Au cours de l'hiver, nous avons effectué certains essais sur la lac Erié. Nous nous intéressons beaucoup à cet appareil comme moyen de sortir sur les glaces du lac Erié. Tout va bien quand le véhicule navigue sur de grandes étendues de glace uniforme, mais quand il y a des crêtes ou des blocs, l'aéroglisseur ne peut franchir des obstacles de plus de trois ou quatre pieds. Il fallait qu'un hélicoptère serve à guider le véhicule durant ces tests.

Le vice-président: L'aéroglisseur ne peut pas franchir des obstacles de plus de quatre pieds?

M. Prince: C'est la limite, oui.

Le vice-président: C'était votre dernière question, monsieur Orange?

M. Orange: J'en ai plusieurs. Revenons à M. MacFarlane...

Le vice-président: Je regarde l'heure, monsieur Orange. Il nous faudrait peut-être ajourner jusqu'à cet après-midi.

Une voix: A quelle heure voulez-vous reprendre?

Le vice-président: Trois heures, cela vous convient? Ce serait après la période de questions.

M. Orange: Les témoins sont présents maintenant, et si je pouvais poursuivre sans incommoder...

Le vice-président: Combien vous faut-il de temps pour poser vos questions?

M. Orange: Je ne sais pas.

Le vice-président: Les autres membres ont-ils des questions?

M. Simpson: Je n'en ai pas.

M. Orange: Si nous revenons au nœud du problème, quelle direction allons-nous prendre? Je pense qu'il y a trois régions concernées. La première est la rivière Mackenzie, la deuxième la région côtière du centre de l'Arctique de Yellow Knife, et toutes les ramifications qui y sont reliées. M. Armstrong a mentionné un groupe d'études régionales sur les

eaux qui entreprendrait des recherches sur certaines implications et ramifications des niveaux de l'eau et du transport par eau. J'aimerais simplement entendre quelques commentaires de M. Naysmith qui est le représentant du ministère des Affaires indien-

[*Text*]

situation; short-term and long-term, as described by Mr. Gilchrist for re-supply for the alternatives of road development, if necessary; the question of the Mackenzie River and the dredging operations which are a continuing factor here; and the fact that even by doubling the capacity this year at the Sans Sault Rapids you are still going to create problems for Northern Transportation. What planning is under way to take into account all of these problems for the short-term and again for the long-term?

Mr. Hall: I would just like to elaborate for a moment on Mr. Gilchrist's forecast. He mentioned a million tons. However, even at half a million tons Northern Transportation feels that with marine equipment we have just about reached the maximum that that present watershed will handle; in other words, in size, power and so on.

To get up to this million, or even to half a million, it will be necessary from here on in to improve certain areas of the river. There are two or three bottlenecks where it would have to be deepened to permit us to put in the kind of equipment Mr. Gilchrist is talking about, namely, something that will take 20,000 to 30,000 tons at a tow. We are just not capable of that today. As I say, we have reached our maximum in relation to size and power. We can keep building this type of equipment, but to get into that volume we will have to improve channels.

Mr. Orange: I would hope that Northern Affairs, as the co-ordinating department, would be looking at all of these things in consultations with Northern Transportation Co. Limited, the Department of Public Works, the Department of Mines, Energy and Resources and the Department of Transport, and so on.

Mr. Naysmith, just where are we now, and what information is available? I am also concerned because of the sort of rumour that flies around the North that has an over-spill into the south and creates a lot of concern among people living in the North. As I say, it has an over-spill effect on merchants in Edmonton and in other places, who are concerned about what really is going on.

Mr. Naysmith: Mr. Orange, I think your question has been partly answered. There are

[*Interpretation*]

nes et du Nord canadien à savoir s'il peut nous dire si une étude est en cours pour rencontrer ces problèmes que je considère comme extrêmement urgents. M. Gilchrist a traité de cette question en parlant des projets à court terme et à long terme pour le développement routier si nécessaire. La question de la rivière Mackenzie et des opérations de dragage sont en fait un facteur permanent ici. Et le fait que les rapides de Sans-Sault ont été dragués de telle façon que l'on peut doubler la capacité des bateaux cette année, il reste quand même certains problèmes au transport du Nord canadien. Quels sont les plans en cours d'étude pour rencontrer ces divers problèmes à court terme et à long terme?

M. Hall: Je voudrais juste commenter pour quelques instants les prévisions de M. Gilchrist. Il a parlé d'un million de tonnes. Cependant, même pour un tonnage d'un demi-million de tonnes le transport vers le Nord considère que l'équipement maritime a atteint son maximum que les présentes installations peuvent traiter. En d'autres mots, soit pour le volume soit par la force pour arriver à transporter un million de tonnes ou même un demi-million il devient absolument nécessaire d'améliorer certains endroits de la rivière. Il y a deux ou trois méandres qui devrait être creusés afin de nous permettre de naviguer avec l'équipement que M. Gilchrist a mentionné, soit des navires de 20,000 à 30,000 tonnes de jauge. Nous ne sommes pas capables d'y arriver en ce moment. Comme je l'ai dit nous avons atteint notre maximum en ce qui concerne la dimension et la force. Nous pouvons bien sûr construire ce genre d'équipement, mais pour accroître le volume de transport nous devrons améliorer les passages.

M. Orange: J'espère que le Nord canadien en tant que ministère établissant la coordination, veillera à toutes ces choses en consultation avec la *Northern Transportation Co. Limited*, le ministère des Travaux publics, le ministère des Mines, de l'Énergie et des Ressources, et le ministère des Transports, etc.

Monsieur Naysmith, où en sommes-nous actuellement et quels sont les renseignements disponibles? Je suis préoccupé du genre de rumeur qui circule dans le Nord et qui se répand dans le Sud et qui crée une grande confusion chez les habitants du Nord canadien. Comme je l'ai dit cette profusion de rumeurs se répercute sur les marchands d'Edmonton et d'autres endroits qui se préoccupent réellement de ce qui se passe.

M. Naysmith: Monsieur Orange, je pense que votre question a reçu partiellement une

[*Texte*]

two phases really to this type of analysis. One of them is a very physical one, in terms of what happens if waters are diverted in the upstream areas. Mr. Armstrong has indicated that our department has recommended to the ICW that this regional subcommittee be set up to look into this question.

Relating to that particular aspect is something that Dr. Prince mentioned earlier, that this whole question can be broken down into two or three segments. If we are simply talking about power development this is the relatively shortrun sort of thing, and once the regulations do take effect there probably are positive advantages for the downstream side.

On the other hand, when you get into the question of pure diversion this is something else again. We feel that this is the area to which this regional sub-committee will adress itself. This is the one segment.

You other area of concern is simply, I believe, in terms of the whole transportation net. We require roads, railroads and some form of re-transportation deal. Relative to

• 1305

what, if anything, the department is doing in its co-ordinating role here I think—although I am really talking for Dr. Wise of our economic staff group, at this point—the department is carrying out this function. It has already done a transportation study on the Yukon and I believe is doing the same thing now in the NWT. Certainly in terms of water transportation it is working very closely with Northern Transportation. In fact, at a very recent meeting this matter of forecasting that Dr. Prince referred to—a forecast that will have a very operational function; not one simply that will give certain data, but actually can be transferred into data that Northern Transportation can use—has been set-up and they will be receiving this kind of information from their field. Therefore, I think your concern for the department as an intermediary, coordinating group is under control. I think they really are carrying out this function.

Mr. Armstrong: Mr. Chairman, perhaps I might add a little to that?

The Chairman: Mr. Armstrong?

Mr. Armstrong: I would point out that the Department of Indian Affairs and Northern

[*Interprétation*]

réponse. Il y a deux phases réellement dans ce genre d'analyses. L'une d'entre elles est une phase pratiquement physique, en ce qui concerne ce qui pourrait arriver si les eaux sont dérivées dans l'effusion près des sources. M. Armstrong a indiqué que notre ministère a recommandé auprès de la Commission internationale des eaux qu'un sous-comité régional devrait être établi afin d'étudier cette question. Ce qui concerne ce point particulier, M. Prince a mentionné certaines choses plus tôt, au sujet que toute cette question devrait être étudiée en deux ou trois segments. Si nous parlons simplement de l'aménagement hydro-électrique, c'est une position relativement facile et une fois les règlements en vigueur, il y a aura certains avantages positifs pour le bas de la rivière.

D'autre part, si vous entrez dans la question d'une dérivation pure et simple, il y a un autre facteur qui entre en ligne de compte. Nous pensons qu'il s'agit là d'un domaine où le sous-comité régional pourra se faire valoir. Il s'agit là du premier segment.

L'autre préoccupation est simplement, je crois, celle du transport. Nous avons besoin de routes, de chemins de fer et un réaménagement des transports. Quel est le rôle du ministère à ce sujet surtout dans le système de coordination, je pense qu'ici réellement au nom de M. Wise qui fait partie de notre personnel économique, et en ce qui concerne ce point, le ministère étudie ces programmes. Il a déjà fait l'étude des moyens de transport au Yukon, je pense qu'il est en train de faire la même chose en ce qui concerne les Territoires du Nord-Ouest. En ce qui concerne le transport par eau le ministère travaille en collaboration très étroite avec la *Northern Transportation Co.*

En effet, lors d'une récente réunion cette question de pression faite par M. Prince, il vous en a parlé, est entrée dans une phase opérationnelle. Il ne s'agit pas simplement de donner certaines données, mais réellement de transformer ces renseignements en données que la *Northern Transportation* peut utiliser et mettre en pratique dans son domaine. Ainsi je pense que votre préoccupation en ce qui concerne le ministère en tant qu'intermédiaire et groupe de coordination est nettement sous contrôle. Je pense vraiment que le ministère remplit ses fonctions.

M. Armstrong: Monsieur le président, je pourrais peut-être ajouter quelque chose à ceci?

Le président: Monsieur Armstrong?

M. Armstrong: Je voudrais souligner que le ministère des Affaires indiennes et du Nord

[*Text*]

Development, through their economic staff group have an over-all study being carried out on by consultants—I think this is what you are getting at—on transportation modes in the North, the economics of each particular type of transportation—which takes into account barge transportation on the Mackenzie—and even such things as far afield as under-sea transport, the role of aircraft and of new aircraft that are coming along—hovercraft, as well—in various areas of the North, to meet expected requirements for heavy transportation.

You can only do so much predicting here. It is rather difficult to pinpoint likely developments and exactly where they are going to occur, but on the base of knowledge presently available, of activity in the North and of indications of future activity, an over-all study is being done by a consulting firm for the department. And this takes into account the co-ordinating role that the department has to play in seeing that transportation is not a constraint on development in the North.

Mr. Orange: How much pressure can this co-ordinating group but on the Department of Public Works to increase their dredge capacity? It seems to me we have to be very careful to make sure that these co-ordinating groups are not working in a vacuum and that what they are doing is meaningful in terms of being translated into action. I am concerned that at this time next year, or in September, if we run into water problems on the Mackenzie River, which can affect both the general areas I describe, we could once again have a very serious situation; and I am wondering, again, not just about the broad transportation study, but what the alternatives are to ensure that we have some form of economic transportation facilities in the North?

Mr. Armstrong: I believe the pressures that you are speaking of may not come from within the government but from without, such as from an oil company with a particular program in the Mackenzie Delta area, who, to meet this program, have to get a certain amount of equipment in there. There is going to be pressure; and I think that the government, through the various departments, and so on, will—and I think it has already started—co-ordinate the process to meet these requirements.

[*Interpretation*]

canadien par l'intermédiaire de leur groupe d'étude économique, ont accompli une étude complète, avec des conseillers, en ce qui concerne les moyens de transport dans le Nord, le point de vue économique de chacun des types de transport et qui tient compte aussi bien du transport par barge sur la rivière Mackenzie; et d'autres sujets tels que celui du domaine des transports sous-marins, du transport par avion et même du transport par aéroglisseurs ainsi que pour certaines régions du Nord le besoin de rencontrer des problèmes concernant le transport de l'équipement lourd.

Vous pouvez malheureusement que faire des prédictions à ce sujet. Il est très difficile de faire exactement le compte des développements probables, et de savoir ce qui va se passer. Mais sur la base des connaissances qui sont actuellement disponibles, sur les activités du Nord et les indications des futures activités, une étude générale est en train d'être faite par une société de conseillers en génie pour le compte du ministère. Ceci tient compte du rôle de coordination que le ministère a à jouer dans le transport et le développement du Nord canadien.

M. Orange: Quelle est la pression exercée par ce groupe de coordination sur le ministère des Travaux publics afin qu'ils accroissent leur capacité de dragage? Il me semble que nous avons pris tous les soins pour s'assurer que ces groupes de coordination ne travaillent pas dans le vide et leur travail est très efficace en ce qui concerne la transformation des études en activités. Je me préoccupe particulièrement de l'an prochain ou du mois de septembre si nous en arrivons à un problème des eaux sur la rivière Mackenzie qui pourrait affecter les régions décrites en général où nous pourrions encore une fois être aux prises avec une situation très sérieuse. Je me demande donc encore si cette étude générale est faite pour assurer certaines façons économiques de transport dans le Grand Nord?

M. Armstrong: Je pense que les pressions auxquelles vous faites allusion ne proviennent pas du gouvernement mais plutôt d'organismes extérieurs tels que des compagnies pétrolières qui ont des programmes particuliers dans des cas comme celui de la rivière Mackenzie et qui pour accomplir leurs programmes doivent utiliser des moyens de transport pour acheminer de l'équipement dans ces régions. Il y aura donc des pressions et je pense que le gouvernement par l'intermédiaire des divers ministères, devra coordonner les processus afin de pourvoir à ces besoins.

[*Texte*]

Mr. Orange: Again, I would like to think that planning was under way now rather than waiting for the pressures to arise.

Mr. Armstrong: I believe it is.

The Vice-Chairman: That completes your questions, Mr. Orange?

Mr. Orange: I could stay here all day.

• 1310

The Vice-Chairman: I think we all appreciate that.

Mr. Orange: I merely wish to thank the witnesses very much for their cooperation.

The Vice-Chairman: Yes; that is what I was going to do, Mr. Orange.

Thank you, witnesses, for your patience. You have brought to the Committee a considerable fund of information which has been stimulating, as all news from the North seems to be lately. Thank you very much.

The meeting is adjourned.

[*Interprétation*]

M. Orange: Encore une fois, j'aimerais penser que cette planification est en cours plutôt que d'attendre la venue des pressions.

M. Armstrong: Je pense qu'elle est en cours.

Le vice-président: Cela termine-t-il vos questions, monsieur Orange?

M. Orange: Je pourrais rester ici toute la journée.

Le vice-président: Je pense que nous apprécions cela.

M. Orange: J'aimerais remercier les témoins pour leur grande coopération.

Le vice-président: Oui, c'était ce que je voulais faire, monsieur Orange. Je remercie donc les témoins pour leur patience. Vous avez apporté au Comité une source considérable de renseignements qui nous permettent de nous faire une idée de la situation dans le Nord. Merci beaucoup.

La séance est levée.

The Queen's Printer, Ottawa, 1969
L'Imprimeur de la Reine, Ottawa, 1969

BINDING FEB 19 1970